





# Vatican Puts Out Word to Earth Summit on Birth Control

By Alan Cowell  
New York Times Service

ROME — In preparation for next week's Earth Summit in Rio de Janeiro, Vatican diplomats have begun a campaign to try to ensure that the gathering's conclusions on the issue of runaway population growth are not in conflict with Roman Catholic teaching on birth control.

To pursue its cause, the Vatican has insisted on changes in the wording of some documents on demographic issues to be put before the meeting, which is to be attended by leaders of nearly 100 countries.

It has circulated a confidential document to embassies here that challenges the United States and other industrial countries on such issues as their reluctance to transfer technology to developing nations and their desire to exclude war from a list of hazards to the environment, Vatican officials said.

While the meeting's resolutions will not be binding on participants, the Vatican's position draws on a moral authority among the world's estimated 980 million baptized Roman Catholics and carries a particular weight in the discussions.

The issue that has caused most controversy relates to changes in a document on demographic trends. At negotiations in New York last month, officials said, Vatican diplomats insisted on changing the wording in references to "family planning" to this formulation: "the responsible planning of family size in keeping with fundamental dignity and personally held values and taking into account ethical and cultural considerations."

The wording reflects the Roman Catholic Church's prohibition on

all forms of artificial birth control. Vatican officials said the changes also reflected a broader concern within the church for human and religious rights in the face of governmental population control programs that place limits on family size, as in China, or offer incentives for sterilization, as in Brazil.

Some development experts argue that expanding Third World populations are the principal cause for the growing poverty of those regions.

But Monsignor Diarmuid Martin, who is part of the Vatican's 10-member delegation to the Earth Summit, said the Vatican felt that "attributing the responsibility for poverty exclusively to population growth is a little bit naive."

Diplomats accredited to the Holy See said they had received a memorandum from the Vatican that said in part: "The relationship of development and the environment to population growth is complex and often tenuous. Population growth of and by itself is seldom the primary cause of environmental problems."

"The Holy See is especially concerned about strategies that make population decline the primary factor in overcoming ecological problems. Programs for reducing population directed and financed by the developed nations of the North easily become a substitute for justice and development in the developing nations of the South."

When word of the changes in the Earth Summit documents first leaked out, the revisions prompted accusations from some feminists and members of Protestant Christian churches that the Vatican was trying to remove the entire issue of population control from the agenda.

That drew an angry response from Joaquin Navarro Valls, Pope John Paul II's spokesman.

"The Holy See has never tried to place obstacles to the negotiating process on any point," he said. "If instead of 'family planning' the documents say 'responsible planning of family size,' who can honestly object to the choice of couples being responsible?"

In its broader approach to the Earth Summit, the Vatican is staking out positions that are at odds with those of Western governments.

For example, diplomats here said, the European Community has registered reservations about the notion of transferring technology from the industrialized to the developing worlds while, in one conference discussion, the United States sought to drop the word "war" from a list of ecological disasters that includes deforestation and desertification.

In the memorandum circulated to diplomats in recent days, however, the Roman Catholic Church depicts the world's ecological crisis as a "moral crisis," diplomats said.

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## Brazilian Mayor Built Third World Showcase By Keeping It Simple

By James Brooke  
New York Times Service

CURITIBA, Brazil — On paper, Curitiba sounds like another nightmarish Third World city. The population increased 11-fold in the last 50 years. Most households survive on family incomes of less than \$100 a week.

In reality, Curitiba is a leafy, livable showcase for low-cost solutions that many urban planners believe can be applied in other growing cities of the Third World.

Poor families keep stumps clean by exchanging bags of garbage for bags of food. Businesses "adopt" street children through apprentice programs. A vigorous tree planting and parks program provides 62 square yards (about 50 square meters) of green space per inhabitant, one of the highest ratios in the world.

"Simplicity is our system," said Jaime Lerner, an energetic architect who completed his third term as mayor of this southern Brazilian city of 1.6 million people this year.

Some say that Curitiba's solutions are not so easily transferred to more crowded and impoverished metropolises in Africa, Asia and Latin America. Curitiba, 860 kilometers (530 miles) south of Rio de Janeiro and the capital of Paraná State, got a head start with a master plan in the 1950s. Although low, its per capita income puts it in the upper end for cities in developing countries.

In contrast to the developed world's concern over the Amazon, the environment of primary concern to most Latin Americans is the city. In the 1950s, 25 percent of Latin Americans lived in cities; today the figure is 75 percent.

In recent years, city planners from all over Latin America have traveled to Curitiba, Brazil's eighth largest city, to seek out the ingenious 54-year-old Mr. Lerner. He is usually found in his study, an A-frame log cabin built in a pine grove.

"Imagine Rio, New York or São Paulo with 25 percent fewer cars on the streets," said Mr. Lerner, the son of Polish immigrants, who studied urban planning here and in France. "We've done that here."

Ninety tubular bus stops spaced along a 250-kilometer-long system of express bus lanes are part of Mr. Lerner's "surface subway," an effort to provide fast mass transportation for one hundredth the cost of digging a subway.

In another alternative to cars, Curitiba is completing 150 kilometers of bicycle lanes. To promote use by rich and poor alike, the mayor has begun a program for factories to help workers finance bicycle purchases.

In 1971, when Brazilian mayors were building highway overpasses, pedestrian viaducts and suburban shopping centers, Mr. Lerner took office here advocating different approaches: pedestrian malls and the recycling of landmark buildings.

Today, Curitiba's human heartbeat is the *calçadão*, or big sidewalk — 49 blocks of pedestrian arteries, clogged on any given day with shoppers and strollers. Last September, he unveiled the 24-hour street. Enclosed in glass, the block-long arcade contains 80 shops and services, open day and night.

The planting of 1.5 million trees in 20 years and a large expansion of parks and public gardens gives much of Curitiba a suburban air.

"Curitiba is as close as I have seen to a first world city in a Third World country," said Arthur Eggleston, a former mayor of Toronto. "It's a very pleasant city, a very safe city. I walk the streets at night."

To maintain architectural diversity, Mr. Lerner finds new uses for 19th-century industrial buildings. A municipal gunpowder depot is now a theater. A glue factory is a children's art center. A stove factory is a downtown shopping mall. An abandoned granite quarry is now a space for rock concerts.

To help rural migrants get city jobs, the mayor converted old buses into mobile vocational classrooms where adults study to become typists, seamstresses, electricians and auto mechanics. To help children who turn to the streets for economic survival, the city places youths in apprentice programs where they work half time in return for meals, a stipend and schooling.

After shantytowns formed in hilly areas inaccessible to garbage trucks, Mr. Lerner started a system to encourage poor people to take garbage to trucks.

Drawing on food bought from the state's agricultural surplus, the city started exchanging eggs, butter, rice, and beans for 9-kilogram (20-pound) sacks of garbage delivered to garbage trucks.

"Lerner has shown that a lack of money is not a stumbling block for solving municipal problems," said Janice Periman, president of Mega-Cities Project, a network devoted to sharing solutions to problems facing the world's largest cities.

"Curitiba's biggest lesson is that, with creativity and ingenuity, a lot of problems can be turned around."

## Peter Jenkins, Journalist And Author, Is Dead at 58

By Craig R. Whitney  
New York Times Service

LONDON — Peter Jenkins, 58, an English author and chief political columnist of The Independent newspaper, died Wednesday of respiratory failure caused by a lung disease.

Mr. Jenkins, who had bachelor's and master's degrees in history from Cambridge University, had been a journalist for more than 30 years. He began with the Financial Times and went to The Guardian in 1960, working there until 1985, including two years as Washington correspondent, 1972-74. He then spent two years at The Sunday Times, until going over to The Independent in 1987.

The politics of Britain was Mr. Jenkins's bread and butter, under prime ministers from Harold Macmillan and Harold Wilson to Margaret Thatcher and John Major. He lived it, talked it, gossiped about it, broadcast it, and wrote two books about it, as he watched Britain's world role change over the decades.

In "Mrs. Thatcher's Revolution: The Ending of the Socialist Era," published in 1987, he wrote, "The future may not be hers but she has set its agenda." The first book, "The Battle of Downing Street," about the conflict over a Labor government's plans for trade union reform, was published in 1970.

By 1990, he had concluded that Mrs. Thatcher's era was over, even before her resignation that November. Before last month's general elections, he was too cautious to predict the result in print, but in private, put £100 (\$180) on a Conservative victory, and won.

Sidney P. Marland Jr., 77, U.S. commissioner of education in the early 1970s, died of cancer Monday in Hampton, Connecticut.

Tony (Big Tuna) Accardo, 86, Al Capone's reputed successor and triggerman in the 1929 St. Valentine's Day Massacre, died of heart and lung disease Wednesday in Chicago.

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# TURKEY IS SEEKING COMPANIES TO INVEST IN CONSTRUCTING A BETTER WORLD

Turkey has taken decisive steps to join the world economy. The privatization of state-owned enterprises is proceeding rapidly. In this context, 11 cement plants are being offered for sale to local and foreign companies willing to benefit from Turkey's integration with the world. Take advantage of this profitable opportunity: invest in Turkey. Invest in the 21st century.

Republic of Turkey, Prime Ministry Public Participation Administration (KOİ) offers to sell all of its shares in the following companies:


COMPANY NAME	PERCENTAGE OF SHARES SUBJECT TO SALE (%)	AMOUNT OF BID BOND (TL. Million)	OPTIMUM CAPACITY (TON)	
			CEMENT	CLINKER
ADIYAMAN ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	620,000	510,000
AŞKALE ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	350,000	280,000
BARTIN ÇİMENTO SANAYİİ T.A.Ş.	99,78	5,000	300,000	220,000
ÇORUM ÇİMENTO SANAYİİ T.A.Ş.	99,85	5,000	390,000	510,000
DENİZLİ ÇİMENTO SANAYİİ T.A.Ş.*	100,00	5,000	620,000	510,000
GAZİANTEP ÇİMENTO SANAYİİ T.A.Ş.	99,72	5,000	545,000	470,000
İSKENDERUN ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	1,200,000	0
LADİK ÇİMENTO SANAYİİ T.A.Ş.*	100,00	5,000	610,000	525,000
SİVAS ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	325,000	320,000
ŞANLIURFA ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	475,000	510,000
TRABZON ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	380,000	310,000

\*KOİ's shares in Denizli Çimento Sanayii T.A.Ş. and Ladik Çimento Sanayii T.A.Ş. will be sold in block subject to the condition that up to 49 per cent of the shares in these companies will be offered to the public by the buyers within a time period determined by KOİ after the sale of the shares is effected. The exact percentage of the shares that will later be offered to the public will be determined by KOİ by taking the tender offers into consideration.

- Further information about the companies can be obtained from KOİ after June 1, 1992. The address is shown below.
- The sale of KOİ shares in each of the companies listed above will be effected by inviting tenders and subsequently holding sale negotiations.
- The tender and an irrevocable unconditional bid bond for the listed amount corresponding to the related company, payable on first simple demand with a tenor of at least 6 months must be submitted to KOİ no later than July 24, 1992, by 09:00 PM official Turkish time.
- In the tender, the offered price for the shares which are subject to sale should be clearly specified.
- The tenders should be submitted separately in closed envelopes with the following inscription

for the related company: "Tender for (the name of the company) .....  
CONFIDENTIAL"

- The successful bidder shall furnish a performance bond for the amount of 6 % of the agreed sale price and a letter of intent to purchase the price and the terms of the sale. If the letter of intent is not submitted or if the bidder fails to sign the "sale contract" after the submission of the letter of intent and/or fails to provide the performance bond until the closing date to be determined by KOİ, the bid bond will be called by KOİ.
- Republic of Turkey Prime Ministry, Public Participation Administration is not subject to the State Tender Law No. 2880 and reserves the right to decide whether or not to sell the shares and to extend the deadline of the tender, if necessary.
- The sale of shares to persons domiciled abroad is subject to all relevant Turkish legislation.



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**WORLD BRIEFS**

**Accuse Major of Interference**  
Czech nationalists accused Prime Minister of interfering in Czechoslovakia's internal affairs.

**Injures U.S. Congressman**  
A U.S. congressman was injured in a riot in New York City.

**U.S. Join in Sea Maneuvers**  
The U.S. joined in sea maneuvers with other nations in the Pacific.

**Leader Guilty of Conspiracy**  
A leader was found guilty of conspiracy in a court case.

**Record**  
A record was set in a recent event.

**TRAVEL UPDATE**

**Can Move Opens Air Fair**  
A new air fair is being held in Canada.

**leather**

**Asia**

**Africa**

**Latin America**

**North America**

# Thai Military Rattles the Saber

## Opposition Denounces Nomination of an Ex-Officer

By Philip Shenon  
New York Times Service

**BANGKOK**—Rival politicians struggled Thursday to form a new government amid implicit threats from military leaders that they would overthrow any civilian government that tried to punish them for the violent crackdown on democracy demonstrators last week.

The military leaders have made it clear that they will not tolerate a proposed criminal investigation of their role in directing the crackdown, in which scores of not hundreds of people died, diplomats and Thai officials said.

They said—and Thai news organizations reported Thursday—that the armed forces of this nation appeared to be searching for an excuse to launch another coup. There have been 17 coups or coup attempts in Thailand since the absolute monarchy was abolished in the early 1930s.

Members of parliament seemed well aware of the generals' threat as they negotiated over the formation of a government to replace that of General Suchinda Kraprayoon, who resigned Sunday as prime minister after taking "political responsibility" for the bloodshed last week.

The five-party coalition that controls the government has nominated a party leader with close ties to the military, Somborn Rattana of the Chart Thai party, to replace General Suchinda. Opposition parties have warned that Mr. Somborn's appointment could lead to a resumption of anti-government street demonstrations.

An opposition leader, Chavati Yongchaiyudh, said in an interview that the public would not accept the appointment of Mr. Somborn, a former air force officer, and that the five-party coalition would collapse within weeks.

The Nation, an English-language newspaper in Bangkok, quoted the army commander, General Issarapong Nontapekdi, as warning that politicians and others demanding retribution for last week's violence should not "force me into becoming a cornered dog." The warning was reportedly made at a private meeting Tuesday with General Suchinda, his brother-in-law.

General Issarapong, General Suchinda and the nation's supreme military commander, Air Force

Chief Marshal Kaset Rojananil, have been out of public view since the weekend.

A Western diplomat said that while he did not think a coup was imminent, "the generals want the threat out and understood." He said he doubted military leaders would launch the coup because it might provoke "a popular uprising that the military couldn't hope to control—a revolution this time."

Many Thais have demanded that General Suchinda and his top military deputies be placed on trial for the murder of the pro-democracy protesters who were gunned down last week.

A government tribunal of judges and lawyers is now trying to determine whether an amnesty decree that would bar prosecution of General Suchinda and his deputies is constitutional. The decree was issued under General's Suchinda's name last weekend.

At Tammasat University in Bangkok, several videocassette players were set up to screen the tapes.

The public's fury over the crackdown has only grown as Bangkok was flooded this week with bootlegged videotapes of foreign television reports of what actually happened during the street clashes.

The first tapes, selling for the equivalent of \$2 to \$4 each, were smuggled across the border from Malaysia. Local television there broadcast uncensored footage—most of it taken by Western television networks—of Thai soldiers savagely beating demonstrators.

The same scenes had been kept off the air on state-run Thai television. Several Bangkok newspapers defied government censorship last week and were the source of the only accurate information available to Thais during the crackdown.

At Tammasat University in Bangkok, several videocassette players were set up to screen the tapes.



Chamlong Srimuang, front row, head of the Thai democracy movement, in parliament on Thursday.

# ASIAN TOPICS

## The Myanmar Craze Declines to Catch On

Although Burma's military junta declined in 1989 that the country should henceforth be known as Myanmar, the change has not caught on everywhere, and certainly not in Burma, William Branigan of the Washington Post reports.

Ethnic minorities, including the rebellious Karens, have rejected the change, as has the dissident All-Burma Students' Democratic Front and the National Coalition Government of the Union of Burma, the opposition shadow government.

The junta explained the change to Myanmar as a move to "decolonize" the country's name and embrace ethnic groups other than the Burman majority. But dissidents pointed out that Myanmar is merely the Burmese literary word for Burma. Since Myanmar had long been employed in written Burmese, the change was directed, in effect, at foreigners. It was as if Hitler had decreed that the rest of the world refer to his country only as Deutschland.

## Around Asia

Hindu India is spreading out its Buddhist past to entice Japanese tourists to the land where Gautama Buddha lived and preached 2,500 years ago. With Japanese help, Buddhist monuments country are being spruced up. "The yearning Japanese tourist will be our most pampered guest in the next few years," said a spokesman for

## Burma Frees 16 Prisoners

Agence France-Press

**BANGKOK**—Burma's military government has released 16 more imprisoned political opponents, Rangoon radio said in a broadcast monitored here.

The 16, including nine members of the main opposition party, the National League for Democracy, were freed from Insein Prison.

Rangoon and provincial prisons, the radio said, did not say who the other seven were or what organization they belonged to.

More than 100 political prisoners have been freed since General Than Shwe took over as head of the junta and prime minister late last month. The State Department has estimated that there are about 2,000 political prisoners in Burma.

# It's Ramos, but Which One? An Enigma Remains

By David E. Sanger  
New York Times Service

**MANILA**—Fidel V. Ramos's transformation from a hard-line general to the man who now appears to be the next president of the Philippines can be traced back to a single night in November 1986, when the freshly installed government of Corason C. Aquino seemed about to fall to a coup by her own defense minister.

Earlier that year, General Ramos, the armed forces chief of staff, was among the generals who turned on Ferdinand E. Marcos when he tried to steal the election from Mrs. Aquino, and the general became a key player in the "People Power" revolution.

But on Nov. 25, 1986, General Ramos, who remained chief of staff in the new government, had to decide whether to side with old friends and comrades in the military or to remain loyal to the government and constitution.

At midnight, his command went out to the troops: "The New Armed Forces of the Philippines stands behind the government of President Aquino, having been elected and installed by the people. We must not betray our country and our people."

He told his commanders to "disregard any orders from the Ministry of National Defense" or its plotters.

That turned out to be the first of seven coup attempts that General Ramos foiled.

Now, building on that reputation, the taciturn West Point graduate, who is rarely seen without a cigar, seems all but certain to be Mrs. Aquino's successor. Assuming he can survive charges of vote fraud in Congress, he is expected to be proclaimed president by the end of June.

At first glance, General Ramos hardly fits the description of a successful Philippine politician. In a country that is 85 percent Roman Catholic, he is a Protestant.

Sometimes he is portrayed as an "American boy," an image fueled by his support last year for the failed effort to renew the United States lease on Subic Bay Naval Base, a giant ship-repair installation that will close this year.

Though General Ramos is best known in uniform to the younger generation of Filipinos, he is known to the older generation—and to diplomats in Washington—as a member of one of the elite families, one that has been involved in politics for five decades.

His father, Narciso Ramos, served in the first Congress after independence and became foreign minister before the rise of Mr. Marcos. His sister, Leticia Ramos Shabani, is a senator.

"Eddie Ramos knows everybody, because they all had tea in the Ramos parlor, or went to school with him," a senior United States official said recently, referring to Ramos by his nickname. "And he is viewed as honest.

He did not enrich himself in the years that he was near the trough."

But those years, the Marcos years, are the one part of his career that few want to talk about openly. After martial law was declared in 1972, General Ramos ran the Philippine Constabulary, a national force that arrested thousands of dissidents and was often charged with human-rights abuses.

It was the constabulary that arrested Benigno S. Aquino, the leading dissident and Mrs. Aquino's husband, who was killed moments after arriving back in Manila from exile in 1983.

Though many other military officials were implicated in the murder, which marked the beginning of the end for Mr. Marcos, there was no suggestion that General Ramos knew of the plans.

Though Filipinos seem to warm to the mellowed-in political life, General Ramos is perhaps the least inspiring candidate on the national scene, startlingly soft-spoken and given to sketching charts and graphs to explain his points.

And in an age of new democracy, he is very much a product of the military—a man still haunted by his reputation as an enforcer of martial law under Mr. Marcos, one of the "Roxley 12" who received expensive watches from the dictator in appreciation for their roles in the declaration of martial law.

Indeed, to many people, even those who

have worked with him for years, the wary, taciturn man is something of an enigma. The press likes to call him a "born-again constitutionalist," but critics harbor the suspicion that he may find that role fits better with the demands of the times than with his own inclinations.

Without question, though, General Ramos has been loyal to the democracy Mrs. Aquino established, telling voters last year, "We have given the president a guarantee that she will serve until the last day of her six-year term of office."

Even today, when many of her other supporters describe Mrs. Aquino as listless and inactive, and a failure at following through on the economic promise of "People Power," General Ramos refuses to criticize her government.

Nor has he defined what he will do differently to tackle the myriad problems facing the country, from the seemingly uncontrollable population boom to rampant corruption, from decrepit power plants to widespread poverty and malnutrition.

He has drawn much of his economic advice from the elite Manila business community, which is pressing him to do more to encourage foreign investment, particularly from Japan, and to set quickly to keep the economy from grinding to a halt. General Ramos promises to act, but so far he has made few specific commitments.

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# Spain's Unions Vow More Strikes Over EC Austerity Plan

By William Drozdiak

Washington Post Service

MADRID — Millions of workers carried out a seven-hour general strike Thursday to protest the Socialist government's austerity plan designed to prepare Spain for the competitive shock of a single European market.

As stores shut and public services were suspended across the country, union leaders vowed to carry out further work stoppages in the coming months to dramatize social inequities they believe are being aggravated by the policies of Prime Minister Felipe González and his government.

Mr. González, who was elected 10 years ago with the help of his former allies in the labor movement, insists Spain must make huge sacrifices now to fulfill the criteria necessary to join the top rung of European states that plan to merge their economies under a single currency no later than 1999.

The governing Socialists want to cut unemployment benefits, streamline labor laws and overhaul the bloated state agencies and enterprises that are draining the government treasury. But the unions contend that workers already suffer from the 15-percent unemployment rate and are being asked to bear the burden in preparing Spain for a new era.

Antonio Gutiérrez Vegara, leader of one of the country's two biggest unions, the Workers' Commis-

sions, said the labor unrest would continue throughout the year until the government changed "its devious and counterproductive vision" of how to modernize the country.

The unions have demanded that the government respond to an appeal for negotiations by June 15 or they will unleash further disruptions that could interfere with Spain's hosting of the Summer Olympics in Barcelona and the world's fair, or Expo '92, in Seville.

The government has rejected the union demands as blackmail. Deputy Prime Minister Narcis Serra said that "if the unions think this is the way to hold a dialogue with the government, they are going about it in the wrong manner."

The labor turmoil has been emotionally heightened by the unions' sense of betrayal. Labor leaders accuse the Socialists of succumbing to the trappings of wealth and power by favoring banking and big business at the expense of their working-class supporters.

The dispute has broken up the old anti-fascist coalition of the Spanish Left and ruptured old friendships. Angry over labor's sniping, the Socialist Party has severed all formal ties with its old ally, the General Union of Workers, headed by Nicolás Redondo Urbieto. Mr. Redondo, once a close friend of Mr. González's, now scarcely speaks to him.

The transition from fascism to a prosperous modern democracy in less than two decades is a tremendous source of pride for Spaniards. Opinion polls among the European Community's 12 states show that Spaniards are among the most ardent supporters of closer European unity.

Until now, Europe's popularity in Spain has been ensured by the steady stream of development funds from the Community. The government is trying to expedite the flow of more money out of a Community "cohesion" fund to help poor members restructure their economies.

But the strict terms set down by the Maastricht treaty on political and economic union means that Spain will have to follow a harsh economic regimen for several years to fold the peseta into a single European currency.

The treaty stipulates that qualifying EC members must bring down inflation, interest rates and public debt to prescribed low levels. But Spain's breakneck period of growth has caused its inflation and interest rates to soar to the highest levels in West Europe.



Israeli soldiers patrolling the settlement of Kfar Darom on Thursday to prevent unrest following the slaying of a rabbi by a Palestinian.

## Israeli Soldiers Said to Blow Up Lebanon Homes

The Associated Press

NABATIYEH, Lebanon — Israeli soldiers blew up houses in southern Lebanon on Thursday in retaliation for a guerrilla ambush that killed an Israeli soldier, the police reported.

Troops in six armored personnel carriers were said to have dynamited at least six houses in a raid on a village just below the Crusader-built Beaufort Castle.

Israel's proxy militia in the south, meanwhile, clashed with Shiite Muslims in Israel's self-proclaimed security zone. The Israeli Army said one guerrilla was killed and another badly wounded. Lebanese security sources reported a guerrilla was wounded.

The clashes were the latest in a spiral of violence pitting Israel and the allied South Lebanon Army against the Islamic fundamentalist movement Hezbollah, or Party of God.

## São Tomé in Bank Strike

Reuters

SAO TOME — Bank workers in the African island republic of São Tomé and Príncipe began an indefinite strike on Thursday to protest the national bank's refusal to pay them for 17 years of unused holidays. The country's 210 bank workers are claiming back pay from 1975, the year the island won independence from Portugal.

## Islam Militants Still a Threat, Herzog Warns

Reuters

WARSAW — President Chaim Herzog of Israel told Poland's parliament on Thursday that Islamic fundamentalism and renewed anti-Semitism still threatened his people.

"The disease is spreading rapidly and constitutes a danger not only to the Jewish people, but to humanity in general," he said.

Mr. Herzog called Islamic fundamentalism the main danger facing the world. He accused Iran and its allies of promoting fundamentalism in the troubled Muslim republics of the former Soviet Union.

"This danger," he said, "is now compounded by the fact that some of the elements involved in the rise of Islamic fundamentalism are endeavoring to achieve control of weapons of mass destruction."

"The Nazis strove to annihilate most of our people in the Holocaust on the soil of Poland, which also suffered from the German oppressor and occupation," he said. "I am convinced that you share my hope and my conviction that the positive chapter we open at present bodes well for the future."

## ISRAEL: Shamir's Rush to Build

(Continued from page 1)

settlement. The new community, however, lies more than a kilometer away and is planned to be a town of 1,000 families, not a farm.

The leftist newspaper Ha'aretz, which reported the plans for the settlement Tuesday, printed a conversation it said its reporter had with "a source close to Minister Sharon."

"How should the place be seen, as a new settlement?" the reporter asked. "You can call it what you like, and those who understand will understand," was the official's answer. "Natzzim-A is a kibbutz, and Natzzim-B is a town."

Officials close to Mr. Shamir sought to play down reports of Mr. Sharon's moves, as they have in the past when reports of new settlement building surfaced. "I don't think anything is happening now that wasn't happening one month ago or two months ago," a senior official said.

The settlement drive has been the major cause of a sharp deterioration in relations between Israel and the United States over the last year. Because of Mr. Shamir's refusal to freeze the building campaign, the Bush administration in March turned aside Israel's request to guarantee \$10 billion in loans for the absorption of immigrants.

## North Korea Returns Remains of 15 Soldiers

The Associated Press

PANMUNJOM, Korea — North Korea on Thursday returned what it said were the remains of 15 more U.S. soldiers killed in the 1950-53 Korean War in a ceremony at the border village of Panmunjom.

The return was seen as a gesture by North Korea to improve ties with the United States. About 8,000 American soldiers are still missing from the war.

## ENERGY: Measure Makes Strides

(Continued from page 1)

ident George Bush is expected to sign the bill that eventually emerges.

Because the bill strikes a compromise among the competing interests of environmentalists, the nuclear and petroleum industries, utilities and consumer groups, among others, many of the most difficult and important energy and conservation issues are not resolved.

For example, proposals to set more stringent efficiency standards for automobiles and to expand the Strategic Petroleum Reserve, the federal oil stockpile for war or other emergencies, were set aside before the vote.

The legislation aims to stimulate important changes in the automobile industry by requiring government fleets to begin replacing cars and trucks with vehicles run on alternative fuels like natural gas, batteries and solar power. By setting stronger efficiency standards for buildings and electrical appliances, the bill would eventually affect the utility bills of consumers in many states.

The bill aims to increase solar, wind, geothermal and other renewable sources by providing federal incentives for producers of electricity from such sources. It also provides incentives for joint ventures between the government and private industry to try to make renewable energy technologies commercially viable.

It also grants at least a symbolic victory to the struggling nuclear power industry by speeding federal studies of a potential nuclear waste depository in Nevada.

It also contains provisions to review the separate Nuclear Regulatory Commission licensing procedures for construction and operation. Although this would theoretically make it easier to get a license to operate a nuclear plant, lawmakers said other regulatory and financial obstacles were still likely to block or greatly delay the building of new plants for years.

Oil companies were unhappy with a provision in both House and Senate versions banning the issuance of new leases for offshore oil and gas development in many petroleum-rich areas of the outer continental shelf through 2002.

But they were gratified that they succeeded with a strong lobbying effort to keep out of the bill a proposal to force them to contribute a portion of their oil to the Strategic Petroleum Reserve.

Nuclear power lobbyists called the bill their biggest victory in Congress since the Three Mile Island accident 14 years ago.

Philip Ryan, president of the United States Council for Energy Awareness, a nuclear power lobby group, said the House action "is America on a new course toward a cleaner, more secure energy future by bringing the licensing process for tomorrow's nuclear power plants up to date with their advanced technology."

Environmentalists generally prefer the House version because provisions mandating greater efficiency in buildings and lighting and heating equipment are somewhat stronger, and because it would require the government to buy back existing offshore oil-drilling leases in North Carolina, the Florida Keys and Alaska's Bristol Bay.

## RIVALS: ANC and Inkatha Are Blamed for Violence

(Continued from page 1)

police on charges of murder for opening fire on a crowd of protesters in the black township of Sebokeng in March 1990.

Nelson Mandela, the ANC president, rejected Judge Goldstone's report on Thursday, saying it ignored evidence that the ANC-Inkatha rivalry had been "fostered and manipulated by the South African government and its security forces."

He also took sharp issue with Judge Goldstone's recommendation that "no one other than the Inkatha Freedom Party and the African National Congress has the power effectively to curb the violence and intimidation being perpetrated by their respective supporters."

Mr. Mandela replied that "to place this responsibility on the ANC and IFP is to ignore the reality that it is the National Party re-

gime who wields state power" and had the means to curb the violence. The National Party is led by Mr. de Klerk and has ruled South Africa since 1948.

Since constitutional negotiations became deadlocked on May 15, Mr. Mandela has made a series of personal attacks on Mr. de Klerk, accusing him of fueling the violence and comparing South Africa under his leadership to Nazi Germany.

"What is happening now has happened in Nazi Germany when people were killed simply because they were Jews," Mr. Mandela said Sunday at a press conference in Geneva.

He said he had told Mr. de Klerk privately, "You are allowing in South Africa people to be killed simply because they are blacks, and you don't care."

In his report, Judge Goldstone said his investigations into the violence in townships around Johan-

nesburg and in Natal Province had left his commission with "no doubt" that the primary cause of the violence in all these areas is the political battle between supporters of the ANC and Inkatha.

"Both sides resort to violence and intimidation in their attempts to gain control over geographic areas," he said. "Both have been overzealous in accusing the other of being the cause of such conduct."

Judge Goldstone also criticized the government for failing to take "sufficiently firm steps" to prevent criminal conduct by individual members of the police and the army. But the thrust of his report was aimed at emphasizing ANC and Inkatha responsibility for the continuing violence.

The pro-ANC Human Rights Commission assailed the report, saying it had ignored the government's role as "a destabilizer and manipulator par excellence" of the black population.



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# Clinton Against the Wall

## Pressure from Perot and Poll Results Take Their Toll

By Robin Toner  
New York Times Service

EDISON, New Jersey — There comes a time in many campaigns when a candidate seems trapped in a script of someone else's making. So it goes for Bill Clinton, looking stoically into a local television camera and answering, perhaps for the ninth or tenth time of the day, questions about his lagging poll ratings and the growing threat of Ross Perot.

Mr. Clinton told reporters in Cleveland this week that he was going to stop answering foolish questions about polls, but the vow was short-lived.

### NEWS ANALYSIS

Within hours he was giving a series of live local television interviews, which began with a question about why it took him so long to get a local endorsement and moved quickly onto a new Ohio poll that showed the Arkansas governor in third place in a three-way race.

The Democratic primary season is winding down, but Mr. Clinton seemed to be on anything but a victory tour as he traveled through Arkansas, Ohio and New Jersey this week. What should have been a grace period for the likely Democratic nominee, a time to polish his image and consolidate his support, has instead become a struggle to simply be heard over the roar of Perotism.

The Clinton entourage is acutely aware of its plight, there is a sense of grievance just below the surface, much of it directed toward the press.

Clinton allies talk of the unfairness of their candidate's emerging from the primary season so little known — and known in large part for a series of "damnable issues" like accusations of infidelity. But there is also a strange fatalism among some in the Clinton camp, a sense that there is little they can do about Mr. Perot at this stage of the campaign.

Mr. Clinton himself, perhaps unwittingly, reflected that view this week when he was asked whether it was a good idea to spend four days in his native Arkansas, given the growing threat from Mr. Perot.

The governor itemized the business that kept him home, including Tuesday's primary there. Then, referring to Mr. Perot, he added edgily: "There's nothing I can do about that now. I'm not out there running against him."

There are strategic reasons for this caution: Mr.

Perot is focusing his fire on Mr. Bush, not Mr. Clinton, and in a three-way race it could make sense for Mr. Clinton to refrain from attacks on Mr. Perot and try to remain an appealing alternative for the billionaire's supporters.

But some Democrats argue that Mr. Clinton needs to take some risks with his message and his campaign style simply to get the public's attention again. He sometimes seems frozen, adrift — an image that his Arkansas-centered schedule earlier this week only underscored.

One Democratic consultant suggested that Mr. Clinton might not be keeping pace with an outraged electorate hungry for action.

Mr. Clinton's candidacy is steeped in the careful centrism of the Democratic Leadership Council, and largely revolves around trying to rebuild the consensus for a new, better-managed, domestic agenda.

In a three-way race with Mr. Perot, who blithely asserts that the voters are interested in leadership, not detailed policy positions, Mr. Clinton's fine-tuned positioning might not be enough. Others argue that Mr. Clinton, with his calibrated responses, often comes across as too political, in a year when that is not considered a good thing to be.

He talks often about his commitment to fighting for change. But he also slips easily into the language and approach of a man who has spent his career in government, a man who in a competition for outsider status seems unlikely to beat Mr. Perot, at least stylistically.

His aides say they are planning some bold moves in the days to come.

Beneath the strategizing, though, remains a sense of bewilderment, not unlike that found in the Bush campaign, which is also struggling to adjust to Mr. Perot. And there is a weariness to Mr. Clinton these days. He wandered back to the reporters' section of his darkened plane the other night, trying to direct the talk to safe subjects, like "The Prince of Tides" or "One Hundred Years of Solitude," two of his favorite books.

But the talk inevitably turned to Mr. Perot, and a popular Perot scenario: How a Democratic House would vote if the election were thrown to the representatives in the event no candidate wins a majority of electoral votes?

Mr. Clinton demurred. "All of this is fascinating to talk about, but it's never going to happen," he said, quiet and guarded, dodging one last Perot question for the day.

# Big Donors Won Favors From Bush, Study Shows

By Sara Fritz

Los Angeles Times Service

WASHINGTON — President George Bush has granted numerous government favors — including regulatory relief, special appointments and import-export assistance — to business leaders who contributed \$100,000 or more to his last presidential campaign, according to a new study.

The review of Bush campaign contributions was conducted by Common Cause, the self-styled citizens' lobby, which asserted that major donors were given special attention by the Bush administration since 1988.

In response to the Common Cause report, Robert A. Mosbacher, Mr. Bush's general campaign chairman who served as chief fund-raiser for the 1988 campaign, denied that the administration had taken any actions in exchange for contributions.

A total of 249 wealthy individuals contributed \$100,000 or more to Mr. Bush's presidential campaign in 1988. Their large contributions qualified them to be members of Team 100, which raised nearly \$25 million for the Bush campaign.

"At a time when most Americans believe government is ignoring their problems, our investigation shows that President Bush's \$100,000 donors are getting special attention and favorable treatment from the Bush administration," said Fred Wertheimer, president of Common Cause.

According to Common Cause, the Bush administration has been responsible for rewarding Team 100 members in these ways:

- William Lloyd Davis, a California real estate investor who contributed \$100,000 to Team 100 and \$76,540 to the Republican Party, succeeded in persuading the administration to support his efforts to upgrade Front Range Airport outside Denver, making it the hub of an industrial park project known as Centerport. The Federal Aviation Administration approved an environmental report for the project two weeks after Mr. Davis was a host at a \$1,000-a-plate fund-raiser for Mr. Bush, which raised \$1.25 million.

- The Department of Justice in early 1990 decided to drop a case accusing Georgia Power and its parent, Southern Company Services, of improperly writing off from taxes millions of dollars worth of spare parts that were still on the shelf. Edward L. Addison, president of Southern Company Services, is a member of Team 100.

- In 1991, the Department of Justice announced a plan to prosecute under U.S. antitrust laws companies in Japan's keiretsu system of interlocking companies, buyers and suppliers. The idea was the brainchild of the corporate raider T. Boone Pickens, another Team 100 member.

- In 1989, the administration altered its clean-air proposal to include a provision for experimental reformulated gas sought by Atlantic Richfield Co., which, along with its executives, has donated \$862,360. The bill also included provisions for ethanol marketed by Archer-Daniels-Midland, whose chairman, Dwayne O. Andreas, was responsible for \$652,000 in contributions, and for natural gas sold by Mr. Pickens's Mesa Co.

- The Department of Labor settled a proposed \$2.5 million fine against a sugar farmer, Jose Fanjul, for 12 cents on the dollar for violations of federal labor laws in 1988 and 1989. Mr. Fanjul, a Bush fundraiser in 1988 and 1992, and his company donated \$200,000 to Mr. Bush.

- The Department of Agriculture has awarded millions of dollars in grants to help Brown Forman distilleries and Dole Food Co. promote their products overseas. The head of Brown Forman, W. L. Lyons Brown, was responsible for \$305,000 in contributions; The Dole chairman, David H. Murdock, and his company contributed \$354,000.

- Bush administration officials lobbied on behalf of United States Tobacco Co. in seeking to overturn bans on chewing tobacco in Australia and Britain. The company's chairman, Louis F. Bantle, donated \$304,760.



Repatriated Haitians lining up outside the U.S. Consulate in Port-au-Prince to request political asylum. They had been picked up at sea.

# UN Assails U.S. for Returning Haitians

Barbara Crossette

New York Times Service

WASHINGTON — The United Nations High Commissioner for Refugees in Geneva has sharply criticized the United States for returning refugees to Haiti without giving them the chance to appeal for protection and asylum.

UN officials said they believed that the United States was in violation of international agreements prohibiting the forced return of refugees rescued on the high seas.

The High Commissioner for Refugees, Sadako Ogata of Japan, said in a letter to Undersecretary of State Lawrence S. Eagleburger on Wednesday that she was "deeply disturbed" by President George Bush's executive order Sunday ending the process by which Haitians rescued at sea were taken to the U.S. Navy base at Guantanamo Bay, Cuba, for questioning by the Immigration and Naturalization Service.

Mrs. Ogata said that the order "denies those Haitians genuinely in need of international protection the opportunity to present their claims, thus exposing them to risk upon their return to Haiti."

### Bush Defends Policy

Ann Dwyer of The Washington Post reported earlier from Atlanta:

Mr. Bush defended the policy, saying America would not permit entry to economic, as opposed to political, refugees.

"We still open our arms" to the "politically oppressed," he said. "But we cannot and I will not open the doors to economic refugees from all over the world."

Mr. Bush was abruptly confronted with a hostile question about the new Haitian policy at the end of a question-and-answer session, held at a private religious school in Atlanta, that had dealt primarily with social issues.

At the end of the session at Mount Paran Christian School, a black parent rose to his feet to ask Mr. Bush to explain a policy the questioner said "runs counter to what American has stood for" in its historical open-door policy for immigrants.

Mr. Bush described the more than 30,000 Haitians who have fled their homeland in the last six weeks as primarily economic refugees. Those who are not, he said, can make their pleas for political asylum at the U.S. Embassy in Haiti, not at Guantanamo or in Florida.

"Not to be mean about it," Mr. Bush said, "we're trying to say, 'Listen, we've got to live by the laws of the land.'"

He denied the policy was racially motivated against the predominantly black Haitians, a charge some critics have made. "I vehemently deny, that's not the case because these people have a right to be screened," Mr. Bush said.

# Chemical Defect Is Tied to Lou Gehrig's Disease

By Sandra Blakeslee

New York Times Service

NEW YORK — For the first time, researchers have found a chemical defect in patients with amyotrophic lateral sclerosis, the devastating and inevitably fatal neurological condition known as Lou Gehrig's disease.

They said the patients have flaws in sponge-like molecules that mop up one of the brain's most powerful chemicals. When the chemical, glutamate, accumulates in the fluid between brain cells, nerve cells that control motor activity become overexcited and die, the researchers found.

"We think excess glutamate could be the primary cause of ALS or at least a major contributor to the disease," said Jeffrey Rothstein, a neurologist at Johns Hopkins University in Baltimore and lead author of a paper describing the defect in the current New England Journal of Medicine.

Dennis Choi, chief of neurology at Washington University Medical School in St. Louis and an authority on glutamate, said: "The idea that glutamate toxicity is involved in ALS has been kicked around at meetings for several years. This is the first piece of supporting evidence for the hypothesis. Something else might trigger the disease initially, but glutamate toxicity could be what amplifies the injury and actually causes cells to die."

The discovery opens new avenues for finding drugs that might slow the disease. Mr. Choi said in an editorial accompanying the article.

Lynn Klein, vice president of patient services at the ALS Association in Woodland Hills, California, said, "It's another piece in the puzzle of solving the mystery of ALS." But patients should not think a cure is around the corner, she said. "There are other hypotheses under investigation," she said. "We still don't know what starts the disease."

In the illness, the nerves that control motor activity degenerate, in the brain and spinal cord, resulting in a progressive wasting of the muscles. Victims lose the ability to walk, talk and swallow. Their intellect, however, remains as sharp as ever. The disease is known in the United States as Lou Gehrig's disease because its best known victim was the former New York Yankee first baseman, who died in 1941 at 37.

Most patients die within two to five years of the first symptoms, and death comes from suffocation. The disease claims about 5,000 victims a year.

# Mr. Outsider Tries to Lure Insiders To Advise Him, but They Shy Away

By Steven A. Holmes

New York Times Service

DALLAS — Ross Perot has been courting leading political operatives in Washington and seeking advice from various advocacy groups while at the same time railing in public against political consultants, image makers and special interest groups based in the nation's capital.

Political consultants from both major parties say that in the last month they have been approached by representatives of the Texas billionaire to help run his campaign.

In his search for political professionals, Mr. Perot is plowing the ground on both sides of the political fence, at times approaching Republicans and Democrats who have squared off against each other in past presidential campaigns.

"He's appealing to Republicans and Democrats from the electorate to the technicians," said William Hamilton, a Democratic poll-taker and strategist who said he had declined a job offer from the Perot campaign. Mr. Hamilton worked for the presidential campaigns of Edmund S. Muskie in 1972, John Glenn in 1984 and Bruce E. Babbitt in 1988.

In addition to Mr. Hamilton, others who say they have been approached by Mr. Perot include Hamilton Jordan, who was President Jimmy Carter's chief of staff; John Sears, who was Ronald Reagan's campaign manager in 1980; Edward J. Rollins, Mr. Reagan's 1984 campaign manager; Raymond D. Strother, who was a media consultant for Gary Hart's 1984 campaign, and Scott Miller, a media consultant who worked this year for Paul E. Tsongas before the former senator dropped out of the race for the Democratic presidential nomination.

All say they have turned down his offers.

Mr. Perot, who has said he would spend "whatever it takes" to run a "first-class campaign," is reportedly offering top dollar for political operatives. "He is willing to pay premium dollars to get premium talent," Mr. Strother said. "Yet, despite the money dangled in front of them,

several political consultants say they have rebuffed Mr. Perot out of either a sense of party loyalty or a fear that they will never get work from Democratic or Republican candidates in the future.

"Anybody who joins the Perot campaign has to assume that forever after he will be persona non grata with Republicans and Democrats," said John Deardourff, a veteran Republican strategist. He said that he had not been approached by the Perot committee.

The Perot committee has hired Frank L. Lutz, a poll-taker who worked for Patrick J. Buchanan, the Republican presidential contender, earlier this year. And Republican officials said that Charles Leonard, a former political director of the Republican National Campaign Committee, will soon be hired by Mr. Perot.

In one of the more unusual moves, the Perot campaign asked James G. Wieghart, a former spokesman for the Iran-contra prosecutor, Lawrence E. Walsh, and a former editor of The Daily News in New York to search court records and federal reports for any items that might reflect poorly on Mr. Perot. The idea was to give the campaign an idea of what reporters might turn up about Mr. Perot's past business dealings so the campaign could prepare its responses.

James Squires, the chief spokesman for the Perot committee and a former editor of The Chicago Tribune, acknowledged the approaches to a number of political consultants. But he said Mr. Perot would employ only those operatives needed to run a campaign, but not those used to burnish a candidate's image.

"If we have a campaign, we will need a creative person to produce commercials," Mr. Squires said. "Somebody has to be talked to who buys media time, which is a special skill in itself. Some people have to be talked to who are political mechanics who do things like voter registration and get out the vote. There are a lot of specific skills that are required in a political campaign. I don't think they are necessarily in conflict with Perot's goals not to be managed, powdered and dictated to."

# Moon Says \$1 Billion Went to Paper To 'Save America and the World'

By Paul Farhi and Howard Kurtz

Washington Post Service

WASHINGTON — The Rev. Sun Myung Moon says he has invested close to \$1 billion in The Washington Times and two affiliated magazines during its 10-year history in an effort to make the newspaper "an instrument to save America and the world."

The investment makes the paper one of the most expensive newspaper ventures ever, and significantly exceeds previous disclosures of the periodicals' costs.

Last July, Mr. Moon, speaking at a private meeting with the paper's executives, said the newspaper and two related Washington-based magazines had cost about \$800 million up to that time.

The \$1 billion revelation, made in a speech last week at a dinner celebrating the newspaper's 10th anniversary, was eliminated Friday from a transcript of the remarks published as a full-page text.

The line missing in the transcript was: "The fact is, I have invested close to \$1 billion in this newspaper during the past 10 years."

Company officials said they had no idea how or why that information had been left out of the text.

"All we can track is that it was inadvertently dropped by the advertising services people, certainly for no reason other than it just dropped out," said the paper's editor, Wesley Pruden.

In his speech, Mr. Moon did not say how much of the \$1 billion had gone to cover operating losses. In an interview with The Washington Post in mid-1990, Mr. Moon's main assistant, Bo Hll Pak, estimat-

ed that the paper had accumulated losses of \$230 million. Mr. Moon, founder of the Unification Church, holds no position at the paper or its parent company, News World Communications.

But while the paper's executives have played down the church's role in the newspaper, Mr. Moon left no doubt in his speech that he made the financial decisions for the paper.

Some staff members of The Washington Times said they were startled by the openly religious tone of Mr. Moon's remarks. The paper has been trying to win a reputation for objective journalism.

Mr. Moon said he had founded the paper because "I believed that it was the will of God."

He added that he wanted it "to provide America with responsible leadership" in the mission of "saving the world from the collapse of traditional values and to defend the free world from the threat of communism."

Calling for "a revolution of true love" in a battle against "evil," Mr. Moon said he had "undergone immense hardship in my efforts to pioneer the way to a true and just world peace."

"Because I knew the winning strategy of God I went forward,"

### Dead Fish Clog the Seine

Agence France-Press

PARIS — The Seine was littered with tons of dead fish just downstream from Paris on Thursday after violent rainstorms on Wednesday flooded the city's sewer system, flushing tainted water into the river, officials said.



## Trick cyclists circle round Freud's couch in a dream called Wien

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Herald Tribune

To Answer Bosnia's Call

When there's an emergency and you call 911, says Haris Silajdzic, foreign minister of helpless little Bosnia-Herzegovina, "someone must respond." Otherwise, he adds, "there can be no new world order."

Trade: Pay Attention Now

If the world trade talks are to be saved from collapse, it will have to happen soon. The farm subsidy reforms that the European Community is now adopting — half-measures though they are — create movement on the central issue, deadlocked until now.

Upside Down Over Haiti

George Bush's cruel decision to have the U.S. Coast Guard turn back Haitian refugees on the high seas marks the low point of a failing American policy. The American-supported trade embargo has failed to dislodge Haiti's repressive coup leaders and only harmed the Haitian poor.

Other Comment

A Duty to Stop the Shooting
International sanctions against Serbia are necessary to counter the aggressive intentions of the Belgrade government. James Baker, the U.S. secretary of state, spoke of the eventual use of military means, although everything indicates that this was an effort to pressure [Slobodan] Milosevic.

Yugoslavia: It Didn't Have to Happen Thus

By Flora Lewis

PARIS — Once again, the powers are being chivied by rising public outrage into some kind of action to stop deliberate ethnic massacre, as of the Iraqi Kurds last year. They are reluctant. But after 10,000 killed and a million and a half made refugees in defunct Yugoslavia, they can no longer just chuck disapproval and leave it to the parties involved to sort it out among themselves.

A UN rapid-reaction force could head off such gathering storms before they break.

years, is that it was foreseeable, and foreseen, and probably avoidable. For years, Slobodan Milosevic, the tough Communist who switched his theme to Serbian nationalism to preserve a power base, made no secret of his domineering ambitions. He knew that unrestrained Serbian assertion would necessarily provoke a reaction from Slovenia and Croatia and could doom Yugoslavia, but he didn't care. His goal was Greater Serbia, which he is near to achieving.

dispute" could have been effective. Once Croatia and Slovenia went through with their threat to declare independence, it was too late for mere diplomacy and threats of sanctions.

And it is nonsense to claim that international recognition of the two republics, forced by Germany at the end of last year, stopped the fighting which broke out last summer. It has abated, not really ended, in Croatia because the Serbs took most of the territory they were after in that area. Bosnia-Herzegovina was obviously going to be next. Urged to get United Nations troops in place before the coming war, Deputy Secretary of State Lawrence Eagleburger said in February that something would be done within a few days.

two-thirds of Bosnia-Herzegovina's territory and driven out many tens of thousands of Muslims. They do not have a lot more incentive to keep the offensive going there.

But Kosovo is on the next page. Its ethnic Albanians, who are 90 percent of the population in a province that was autonomous until Mr. Milosevic canceled that status to Serbian nationalist applause, have just held "secret" elections, denounced as illegal by Belgrade. They are ruled with severe repression, and in the climate of upheaval they are restless.

The trouble is likely to spread to Macedonia, and that could lead to a general Balkan war. This is not a case for "peacekeeping," which implies keeping belligerent sides apart after they agree to quit fighting, and far less for "peace-making." It cries for a new UN function of war prevention, heading off the gathering storm by active intervention before it gathers.

That means translating the nuclear strategy of deterrence to conventional battle, a strategy of avoiding the need to use force by making a grimly credible threat. And that requires a standing UN force, able to move quickly, and a conscious Security Council policy of not waiting until things get so bad that blue berets would have to fight their way through cross fire.

It is true that such a strategy and such a policy are unworkable unless the United States takes the initiative. The Europeans will not undertake it on their own. Preoccupied with re-election, Mr. Bush is not interested in initiatives this year. But elections come and go. The warriors do not wait. This month's Balkan tragedy will not be the last, perhaps not even the worst, if attempts to halt it are not put in the larger context of prevention. Deterrence remains the best security bet, and it must be made credible.

© Flora Lewis

Sailor's Life Was Not for Young Perot

By William Safire

WASHINGTON — Ross Perot, a patriot and defender of servicemen missing in action, turns out to be a man who used his father's political influence to try to get out of fulfilling his commitment to the U.S. Navy.

Mr. Perot has changed his story twice about his reason for seeking a "hardship" discharge in 1955. That straining to reshape his past makes his use of political pull to get out of his service obligation into a character issue today.

Here are the facts, as revealed by The Associated Press and Sam Antlesky of The Dallas Morning News: In 1949, a time of peace, Henry Ross Perot was admitted to the U.S. Naval Academy in Annapolis (presumably through appointment by Representative Wright Patman arranged by his father, a cotton broker). He received the best high school education the U.S. taxpayer has to offer.

In return for four years of full tuition, room and board, he pledged to serve as a naval officer for whatever period the navy deemed necessary. At the time of his graduation as an ensign in 1953, that hitch was four years. (Mr. Perot claims now the period changed from two to four years during his Annapolis stay; the inescapable fact is that his contractual obligation was to serve after graduation as long as the navy required.)

But he was unhappy in the navy. In 1955, Lieutenant (junior grade) Perot prevailed upon his father to appeal to Texas Senators Price Daniel and Lyndon Johnson and Mr. Patman for help in getting a hardship discharge.

These were Ross Perot's reasons then, in a letter his father forwarded to his source of political pull: "I have found the navy to be a fairly Godless organization. I do not enjoy... being subjected to drunken tales of moral emptiness, passing out penicillin pills and seeing promiscuity on the part of married men."

Profanity up to him: "I find it disgusting to live, work and be directed in an atmosphere where taking God's name in vain is a part of the everyday vocabulary."

This borderline conscientious objection after four years of Annapolis did not elicit the desired hardship discharge from the navy, but LBJ's staff persuaded the chief of naval personnel, J. L. Holloway, to transfer Mr. Perot from rigorous duty aboard the destroyer Sigourney to a presumably more godly atmosphere aboard the aircraft carrier Leyte.

Sixteen years later, as a gunboat supporter of the Vietnam War around the Nixon White House, Mr. Perot did not reveal his attempts to slip out of his commitment, but had to find a different reason for not staying in the navy.

"In the navy," he told The New York Times Magazine in 1971, "the promotion system and the seniority system and the waiting-in-line concept were just sort of incompatible with my desire to be measured and judged by what I could produce." No moral disgust or profanity shock anymore; that would play as unmanly. The new Perot line: He preferred the merit system in business.

When he became a media campaigner for president, he needed an even more honorable reason for using the political pull of Texas to try to wend out of half his tour of duty. Mr. Perot's latest excuse, told to Newsweek: The captain of the Sigourney corruptly wanted him to use the crew's recreation fund to decorate the captain's cabin, and Mr. Perot bravely refused. Only because he protected the enlisted men's money was he transferred. (Retired Sigourney captain B. A. Liebhard and Gerald J. Scott, where are you?)

The facts already on the record belie that belated claim. Every veteran can sense the truth: The Korean War was over, Ross Perot was bored in the navy, and he wanted to get on and make money. His need for a family connection to try to renege on his commitment to serve in payment for his education.

To explain that tawdry attempt away, he first cooked up a moralizing pitch, then a management critique, and now a pretense of fiscal conservatism. We know what Mr. Perot thought of him in his file, which he should be asked to every appearance to make public. The only way his disingenuous are in dock logs at the Navy Historical Center in Suitland, Maryland.

Neither Dan Quayle nor Bill Clinton has been spared scrutiny for service decisions. Ross Perot, preying up his past, deserves equal treatment.

The New York Times

Deadlock in South Africa: The Issue Is Fundamental

By Allister Sparks

JOHANNESBURG — South Africa's negotiations on a new constitution are discouragingly deadlocked, and over an issue that seems too trivial to warrant such a crisis: the size of the majority that will be required for approval of the constitution.

Even at the start of bargaining, the difference between the African National Congress and the government of President Frederik de Klerk on this issue was small: just

It boils down to this: Is the country to have majority rule or not?

25 votes in an elected Constituent Assembly of 300.

After days of haggling, it had narrowed to a 5 percent difference over the majority that would be needed for agreement on regional (or state's) rights, and to a government demand that the negotiators agree in advance that the future constitution should have a Senate with powers equal to the House of Representatives — something the ANC rejected.

There they stuck, a hairbreadth apart but with mounting obstinacy on both sides that is now hardening into serious hostility and could start to unravel the whole process.

Why so much drama over so little? "Juvenile brinkmanship" was how one exasperated delegate at the all-party convention described it. But there is much more to it. What is happening at the convention, known by its acronym of Codex, is more than just the negotiation of a new national constitution. It is also the negotiation of a peace agreement between the government and the ANC, similar to what a settlement between the Israeli government and the Palestine Liberation

Organization would be. This introduces an additional element of pride and honor and the saving of face, which limits flexibility and sets barriers to concession.

As Hamlet said, people will find quarrel in a straw when honor's at stake. But there is more than a straw involved here. Small though the differences over these percentages appear, they go to the heart of the divergence between the ANC and the white government over what kind of country South Africa should be.

The ANC wants majority rule. It is prepared to have an entrenched Bill of Rights protecting the basic human rights of minorities: things such as language, cultural and religious rights, free speech and free political expression. But it insists that the majority party have the right to form the government — or, as Nelson Mandela puts it, "normal democracy as the world knows it."

Mr. de Klerk and his National Party, on the other hand, have made it clear they oppose majority rule, which they call a "winner takes all" system. They want what they call "power-sharing," a system of compulsory coalition government that would give minority parties (such as the National Party) will probably be after the country's first one-person, one-vote elections) a share in government almost regardless of how small they are, as well as a power of veto over all legislation exercised through a specially constituted Senate.

This fundamental difference has lurked in the background since the negotiations began in December. The talks have skirted around the issue while progress on other issues has been made, but every now and then they brush against it and then there is

a spat. That is what happened at Codex earlier this month. To achieve its power-sharing constitution, the National Party initially wanted the constitution to be drafted by Codex, where its position as the governing party is strong and it has the support of a number of old tribal "homeland" parties formed under the apartheid system. The ANC wanted the constitution to be drafted by an elected Constituent Assembly, where it knew it would be the biggest party and the National Party and its allies would be cut to size.

After months of negotiation a compromise was reached. The National Party accepted that the constitution had to be drafted by a body of unquestioned legitimacy, meaning an elected Constituent Assembly. The ANC, for its part, agreed that Codex should negotiate the interim constitution, which will be in place while the Constituent Assembly is sitting, and that it should lay down broad principles for the final constitution — principles which will be binding on the Constituent Assembly.

Ever since, the ANC has had an



Nelson Mandela, by Peter O'Neill, C&W Synchro.

A New Asian Gleam in the Australian Leader's Eyes

By Max Walsh

SYDNEY — Paul Keating, the Australian prime minister, has surprised the electorate and even his closest political colleagues by launching an aggressive campaign to loosen the country's traditional ties with Europe and realign its future with Asia.

He has outlined an agenda that would see Australia, a former colony of Britain, sever links with the British monarchy and become a republic with a new flag that no longer incorporates the Union Jack. Mr. Keating is also sponsoring the idea of regular meetings of leaders from East Asia, North America and Australasia.

Not only has his campaign caught Australians unawares, Mr. Keating's delivery has produced reactions from shock to cynical derision. Shortly after he became prime minister in December, following a Labor Party coup that removed Bob Hawke, Mr. Keating delivered a broadside at the role of the British political leadership in World War II and the way in which Australia was allegedly left to fend for itself.

He continued this theme in April, on his first visit to Indonesia, where he praised President Suharto as the elder statesman of the region. From there, Mr. Keating went to Papua New Guinea, where he was televised getting on hands and knees to kiss the ground at a memorial commemorating Australian soldiers who fell on the Kokoda Trail. It was there that the Japanese advance toward Australia was halted in World War II.

Critics charge that Mr. Keating's provocative political stances are intended to distract attention from the nation's dismal economic condition. Unemployment is above 10.5 percent and per capita growth of the gross domestic product has been negative for more than a year. Mr. Keating was treasurer from 1983 until the middle of last year, and he is seen as the principal architect of the economic mess.

There is an element of vaudeville in the prime minister's approach. But there is also a large dash of pragmatism, mixed with a dose of traditional Irish-Catholic hostility to the British connection. Beneath the raging political debate, there is consensus over the more substantive issue that Australia's future now lies in Asia.

Rapid economic growth in much of

Asia in recent years has rescued the Australian economy from a quite disastrous outlook as the country struggles to repay a huge foreign debt amassed in the 1980s.

Asia has become a key market for Australian exports of manufactured goods and of services, as well as traditional commodities such as wool, wheat, meat, coal, iron ore and other minerals. Japan is the major customer, accounting for 25 percent of exports. Other East Asian nations take 30 percent, double the figure of a decade ago. The export boom to Asia has saved Australia from a Latin American plight.

There remains a pervasive skepticism about Mr. Keating's rather sudden conversion to fervent belief in Australia's Asian future. His decidedly European tastes are well known. He courted his Dutch wife during repeated trips to the Continent. He favors expensive Italian suits, has a fine collection of antique French clocks and has spoken in the past of wanting to live in Paris when he retires.

Despite being one of Australia's most widely traveled politicians, he had not visited Indonesia before his April visit. Japan was the only Asian country Mr. Keating had been to

and, initially, he was reluctant even to go there.

This lack of emotional attachment to Asia, however, underlines the calculation in what Mr. Keating is doing. In a very short time he has considerably enlivened the debate about Australia's need to rethink its position as a European outpost with sentimental links to Britain.

In the process, Mr. Keating has tapped a surprising degree of support. Five months ago, nobody, including the government, gave Labor any chance of winning the next election, which must be held by May 1993. Mr. Keating has brought such energy and verve to the prime ministership that he has produced a remarkable turnaround in opinion polls. The government still trails the conservative opposition, but the gap has closed to such an extent that Labor seems now to have a real chance of regaining power.

The writer, a columnist for the Sydney Morning Herald and The Age newspaper of Melbourne, contributed this column to the International Herald Tribune.

abiding suspicion that the government, with its long record of duplicity, is trying to trap it into a situation where it gets into a power-sharing interim constitution and never gets out again. The ANC has in fact indicated its willingness to have this interim constitution provide for a "government of national unity," meaning one in which all Codex parties form a coalition and have to govern by consensus. And that is exactly what the government would like as a final constitution.

Thus the ANC is demanding a strict limit on such an arrangement: a period of about six months during which the final constitution is drafted. The government would like to have it permanently, or at least for an "interim" period of about 10 years.

This is why the dispute over a relatively tiny percentage managed to stall the whole convention. The ANC and its allies became convinced that the government was trying to get an unacceptably high majority for agreement on the constitution so that progress could be blocked and the country locked into an indefinite "interim" constitution.

When the government indicated its willingness to abandon this position in return for a commitment to having in the final constitution a powerful Senate of undefined structure — the very kernel of its power-sharing plan — the fear of a trap grew.

Since then attitudes on both sides have hardened, with the ANC threatening to pull out of the peace accord it signed with the government and other parties last September and take its freedom struggle back to the streets.

Clearly, South Africa will be unable to move forward meaningfully in its transition to democracy until this basic issue is resolved: Is the country to have majority rule or not?

The Washington Post

Lower the Drawbridge

By Richard Woolcott

CANBERRA — In the late 1940s, the flow of migrants to Australia was exclusively European; in 1991, more than 40 percent of settlers were from Asia. Growing Asian immigration, including business migrants, has changed the face of Australia, shattering forever any old illusions that it would be an exclusively Anglo-Saxon or European nation.

Australia has gradually lowered the drawbridge as successive governments realized that a relatively small trading nation, located on the southern edge of Southeast Asia, could not ignore its geopolitical situation or the realities of the international market. Australia has no alternative but to increase its effort to be an accepted and active participant in the affairs of the Asia-Pacific region.

The approach must be multidimensional, involving diplomacy, military cooperation, development assistance and cultural exchange.

Through a series of initiatives over the past decade, Australia has sought to engage itself more widely and more directly in Asia. Much of what has been done is welcomed in the region. Since it was established in Canberra in 1989, the Asia Pacific Economic Cooperation forum has become the major focal point for regional economic discussion. The Cairns Group, which drew Australia, Asian countries and other agricultural free-traders together, is playing an influential role in global trade negotiations. Australia played a significant role in helping to settle the Cambodian conflict. It has also advanced ideas for a post-Cold War security dialogue in the Asian region.

If figures for the study of Asian languages in Australia are a guide, many more Australians are now learning about the values and cultures of Asian societies. But increased efforts are also needed to promote a greater awareness of Australia in Asia. As Australia matures as a nation, it must come to see Asia not as a cohesive entity, or as something alien or threatening, but as a region of different and diverse countries.

There is no future for Australia as an Anglo-American stepchild that lost its way before deciding which way it wanted to move. It is imperative that Australia progressively involve itself more closely in its Asian and Pacific environment. The government, and increasingly the private sector, is doing this. But the process needs to be reinforced by a deeper change in public attitudes.

The writer is a former secretary of the Australian Department of Foreign Affairs and Trade, and former ambassador to the Philippines, Indonesia and the United Nations. He contributed this column to the International Herald Tribune.

and, initially, he was reluctant even to go there.

This lack of emotional attachment to Asia, however, underlines the calculation in what Mr. Keating is doing. In a very short time he has considerably enlivened the debate about Australia's need to rethink its position as a European outpost with sentimental links to Britain.

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OPINION

Such Trifling Matters Can Alter the Air Itself

By Anthony Lewis

BOSTON — Among the curiosities of the bizarre 1992 political campaign is the idea that policies do not matter. All America needs is "leadership." Ross Perot is propagating that notion, and he says his supporters agree. They do not want to be bothered with details. They just want to send someone to Washington who will knock heads and get things done.
Yes, but what things? Government is choices. The president of the United States has to choose among possible policies on the most fundamental issues. His choices help to shape what kind of country America will be.
On the environment, for example, what a president brings to environmental issues — not details but his basic attitude — affects the air we breathe, the food around us, the life of the planet. The notion that voters should not care what candidates believe is not just silly but profoundly anti-democratic.
Of course the voters may be deceived. They were by George Bush in 1988. He said that he would be the environment president. His record entitles him, rather, to be known as the pillage president.
Over recent weeks, especially, Mr. Bush and his aides have been selling out wholesale to interests that want to exploit irreplaceable natural resources. The administration has been trading the future — our children's land and air and water — for present political advantage. Mr. Bush wants the support and the money of logging, mining and other such interests.
Two weeks ago he decided to let companies increase air pollution from their plants without notifying the public. He issued that order although the Clean Air Act of 1990 — which he claims as a Bush achievement — appears to require public review of any such increases.
Last month the secretary of agriculture, Edward Madigan, proposed elimination of the public's right to appeal decisions by the U.S. Forest Service on land use and timber sales. The public



There Are Greener Ways to Keep on Growing

By Hobart Rowen

LONDON — In London, as elsewhere in Europe, there is a rising public concern about environmental hazards and their effects on the quality of life.
The sense of a shared environmental fate is powerful, writes Frances Cairncross, an editor for The Economist. In a new book, "Costing the Earth," she details the painful story of how economic growth in the Third World and Eastern Europe has been pursued with almost no attention to environmental consequences.
The rich nations, which belatedly have begun to curb pollution within their borders, have a special responsibility for the horrible results in the Third World. With the World Bank and International

Monetary Fund as their agents, the rich countries have long been insensitive to the impact of "development" projects on the environment.
A gripping British television documentary by John Pilger, "War by Other Means," graphically depicts the devastation in the Philippines to the rain forests and other arable land caused by building projects funded by the IMF and World Bank. In its new World Development Report, the Bank acknowledges other horrible results in Brazil, Indonesia and Sri Lanka.
Now, as everyone reads for the Earth Summit in Rio de Janeiro next week, the Bank, IMF and many nations newly sensitized to the problem are trying to balance the long-ignored contradictions between industrial development and environmental degradation.
The new World Bank report attempts to lay out the vast dimensions of the problem. It makes explicit the links between overpopulation, poverty and environmental hazards. The report says that the single most important approach to improving the environment in poor countries is to control population growth, which means

Digging In With Some Friends

By Anne Raver

BALTIMORE — Some friends came down to the farm on a recent weekend to help me in the garden. They weren't like most people who say they want to weed and then stand there asking if you have Ken Follet's "Wings of Eagles" because Ross Perot says it tells everything we would ever want to know about the corporate king who wants to be president.
It is hard to concentrate on the peppers when somebody like this is helping. You are likely to give the jalapenos an overdose of Epsom salts. You are likely to overreact (in the friend's opinion) when the friend sits down on your fluffly raised bed to discuss the abysmal state of the Democratic Party and then says: "Haven't you had enough of this now? Let's go into town."
But these people were like those Amish neighbors you see in movies who raise a barn and dance and sing and eat all in one day. These people broke up soil the consistency of concrete; they trundled manure; they deadheaded scraggly old daffodils; they pulled up weeds without pulling up the clematis.
They petted Molly the dog, and yelled at her just like family when she barked at Bernie, our Fix-it. They knew things from their own farm memories, I guess, about

flower we thought was a buttercup." Sylvia had said.
I used to think such behavior a bit obsessive — until Kim took a day and a half to dig around the roots of a cedar tree that had to be transplanted because it was in the way of my new kitchen garden. We thought he had disappeared around lunch time, but he was just in the hole, digging.
Bobby Bueller, who'd come to load some hay with his friend Dave, said sure, they'd help us heave the root ball into the wheelbarrow.
So then we had to have a few beers, of course, and discuss the history of Bobby Bueller's hat and other fine hats we had known, and talk about our fathers who wouldn't throw anything away, not even an old rotten board, because as soon as you did you'd need it to fix the kitchen porch.
That's pretty much how a day goes around here. And it's hard to explain the enormity of it all to people who don't happen to share this particular obsession.
They just look concerned like maybe you should see a therapist when you start talking about the color of the potatoes. "Could I plant the Rainbow Inca corn behind the barn, so it won't be pollinated by the Silver Queen?"
No, in May, planting-mania month, we gardeners are off! For normal society.
But Sylvia thinks we're on to something. We might be able to get New Yorkers to pay good money, like they do at those rustic farms up in Vermont, for the privilege of rising at dawn to milk the cows. Only down here it's moving trees, mulching, digging more manure into that old Maryland clay.
The New York Times

LETTERS TO THE EDITOR

To Avert a Chernobyl

Regarding "We Ignore Chernobyl's Cousins at the World's Risk" (Opinion, May 15) by Alfred Friendly Jr.:

Last March, the Group of Seven leading industrial nations offered \$1 billion to help patch up atomic energy stations in the former Soviet Union, and in particular the 16 Chernobyl-type graphite-moderated reactors — the ones that react faster as they get hotter, thus running on toward meltdown. That offer was a disarming travesty of the "swift, steady, generous and comprehensive response" called for by Mr. Friendly.
A Western ecologist, Simon Roberts, hints at the explanation: "Western aid is quite consciously being directed at bolting on gizmos, rather than developing alternative systems."
The people of the former Soviet Union could do what desperately needs to be done — but they must have help. Russian Greenpeace asks the West to contribute \$7 billion toward transforming the infrastructure, conserving energy, producing alternative energy — and shutting down all maximum-risk reactors by 1995.
The cost of our proposed program is equivalent to just over eight days of U.S. government defense spending," says Dima Litvinov. "It is the only realistic way to avert another Chernobyl.
"This plan is certainly cheaper

and much safer than the fool's errand of trying to fix reactors that can never be adequately safe."
At \$7 billion it would be the bargain of the century.
DAVID DORRANCE, Paris.

A 'Forgery of History'

Regarding the editorial "Recognize Macedonia" (May 17):

The case is not simply of one state vetting another state's name, but of an entity aspiring to statehood on the basis of a false name. The name "Macedonia" is part of Greek history and culture. Its use by a neighboring state alien to that culture is a forgery of history.
This falsification is the doing of Marshal Tito, who by baptizing a people of Bulgarian origin and culture as "Macedonians" was simply promoting his aspirations to occupy all parts of the region denoted as "Macedonia" and eventually obtain an outlet to the Aegean Sea.
ATHANASIOS PETROPOULOS, Athens.

The Riot and the Dream

Regarding "March Them In to Rescue the Cities" (Opinion, May 15) by David S. Broder:

General Colin Powell, like any other intelligent, compassionate American obsessed with the "American Dream" is, alas, wrong. America is just another country, no more, no less. It has no mandate from God or from the consensus of

its people to be, in Lincoln's words "the last, best hope of earth."

Can you imagine a Belgian or a Swede or a Brit regarding his country as "the last, best hope of earth"? If a German general were to express such sentiments openly, the rest of us would be out packing off our gardens with bomb-shelter blueprints under our arms.

The emboldened attitude expressed in these conceited words regularly fails America in matters as diverse as foreign policy and auto manufacturing. (I think of such things on dark evenings while restitching the seams of clothes sent by my mother, the ones "Made in America, With Pride, by American Craftsmen".)

More to the point of the article, the rioters who looted stores in Los Angeles and other cities were not doing so for motives political — they just wanted the stuff. Those policemen who beat Rodney King so badly behaved like enraged racists with clubs — no mystery there. No one concerned in this affair behaved as he did because he felt his grasp on the American Dream go slack; indeed, how we behave when the lights go down has nothing to do with national identity.

BILL KILPATRICK, Sartano, Italy.

It is not "leadership" that is required in the aftermath of the Los Angeles riots, but something much more valuable and rare: intelligent, workable solutions.

W. F. SMYTH, Hamilton, Ontario.

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5 Berman of the P.G.A.
10 Larch
12 To be, in Paree
14 Barin and Drew
16 "Tokyo Rose"
17 Flamenco number?
18 The Woo, S. Korean leader
20 Bed canopy
21 One of 22 cards
23 Toward the inside
24 J.F.K. was one
26 Actress D'Orsey
28 Dismantle a flat
30 Late card play?
32 Tarry
33 Bantu-speaking Zimbabwean
34 William F. Buckley?

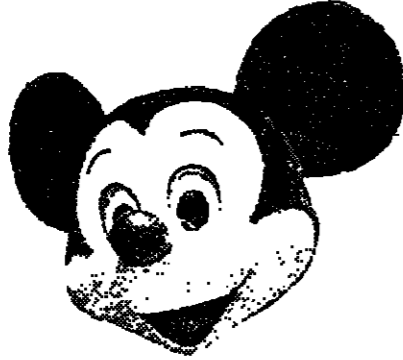
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5 Sweetie
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7 Monte Viso, e.g.
8 Make shipshape
9 Put in a box
10 South Dakota, the State
11 Lead-in for bar or bath
12 Fanfare?
13 Orch. section
14 Williams or Koppel
15 Wool of bat, and tongue
16 "Macbeth"
17 Mario's mate
18 Updates a factory's gear
19 Speedy
20 Seine sights
21 Indian cymbals
22 Bar order
23 This is sometimes tree
24 Child arms.
25 Meet part
26 Nero et al.
27 Big Apple
28 Mayor
29 Ipress or Odessa
30 T.L.C. delivers
31 Paint ingredient
32 Topples
33 A monkey's uncle?
34 Loath
35 SAM evaders
36 Letter of a sort
37 Disconsolate
38 Byron's daughter
39 Tunisian port
40 Taylor or Stewart
41 Moush, to Marcus
42 "My country, — of thee"
43 12 Down in Mexico City

Solution to Puzzle of May 28
WREATH ESSE JOVE
WATCH ALAN APEX
ANTAE RING GENE
STAMPING GROUNDS
HESS ARA
OSTER OVERAGE
UNTER SAGE GEN
STANDS CORRECTED
EIN TAKE NOISE
DESSERT SNORED
TSE SOHO
GIVES AWIDE BERTH
LEAD MAGI LAURA
IDEA ERNS ESTER
ALLY REST STAKE

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Please Charge Sprint Calls to My Current (Circle One)
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# American Family At Euro Disney



By William E. Schmidt  
New York Times Service

PARIS—Somewhere deep inside the pirate's cave, beneath a jagged ceiling of simulated stalactites, we were marooned. After plunging down pitch-black flumes and dodging rapshot and curses from angry French sea rovers, the little parade of mechanical boats curving through Euro Disney's Pirates of the Caribbean had thumped, quite suddenly, to a stop.

On one side of us, a pirate's skull, covered in cobwebs, grinned wickedly. On the other, a ghostly harpsichord played over and over again the opening bars of the same agonizingly familiar Disney chantey.

her 15-year-old sister, Jordan, and their 7-year-old brother, Peter—were untroubled. For them, Euro Disney is an unqualified hit: Big Thunder Mountain, the roller coaster-like railroad that dips and dives through the middle of Frontierland, was pronounced faster and more daring than the one in Orlando, and Alice's Curious Labyrinth, the Alice in Wonderland maze at the heart of Fantasyland, was so wonderfully confusing it demanded a return visit, at night, when the hedges are illuminated in tiny blue lights.

Alice's Labyrinth is one of only a few attractions designed especially for Euro Disney; most of the others are old standbys from the American parks, such as the Mad Hatter's Tea Party, where riders whirl about inside giant tea cups, or Peter Pan's Flight, a gentle adventure that soars above sets of moonlit London and Never-Never Land.

If the special appeal of these attractions is their simplicity, the problem with Le Visionarium, one of Euro Disney's centerpieces, is that it is too long, too cluttered and too ambitious.

It begins with a basic idea: a 360-degree movie theater, identical to exhibitions in Walt Disney World and Disneyland, where visitors stand and watch a spectacular and sometimes dizzying odyssey across America, photographed from the air. Le Visionarium also takes you on a sky tour of Europe, but those few sweeping moments get lost in a choppy lapse against Jules Verne and time travel.

word of French, do not bother with the telephone handsets broadcasting the dialogue in English, German or Spanish. Not only is it barely audible, but the story isn't worth the trouble anyway.

On the other hand, don't pass Sleeping Beauty's castle, Euro Disney's recast version of Disney's most recognizable landmark, without looking in on the dragon's cavern underneath. The great green beast, with leathery wings and a long, curled tail, is a triumph of both engineering and imagination. When we first saw it, it appeared to be dozing alongside its dark pool, its chest heaving as it breathed, deadly claws absently kneading the rock ledge.

As I began to stir, it slowly lifted its head, blinked its baleful red eyes and, without warning, suddenly roared, baring rows of needle teeth white phosphorus of smoke billowed from its nostrils. Be careful around this one: It makes small children cry.

Despite the wind-blown clouds scudding across the low April sky, bringing alternate intervals of brittle sunshine and rain, despite the bulky rides and the French instructions, which are not always translated into understandable English, the children insisted on hanging on until the exhausted end.

but they too had been ensnared, also as a result of unexplained "technical difficulties."

Anyone familiar with the geography of Disneyland in California or the Magic Kingdom portion of Disney World in Florida will feel right at home here. The park is arranged in its familiar four quarters, around Main Street, U.S.A., Fantasyland (with Sleeping Beauty's Castle), Frontierland, Adventureland and the futuristic Discoveryland.

Right now, the park can be easily managed by visitors, although it probably takes a good two days to see most of the attractions. By 1994, Euro Disney intends to roughly double the number of attractions at the site by adding a Continental version of the Disney-MGM Studios at Disney World, complete with French-speaking Muppets, restaurants with a drive-in theater theme and movie-stunt tours.

Beyond the French signs, Euro Disney has made few concessions to its European location; the park's landscape faithfully celebrates Disney's enduring version of America, from the ersatz Victorian facades of Main Street, U.S.A., to the craggy pyramids of Big Thunder Mountain. Even the area surrounding the park resembles central Florida: the maintenance highway that crisscrosses the park, a 4-lane motorway could be outside Orlando, where its low green horizon is also broken by

# When in Italy, Hit the Shows

By Roderick Conway Morris

VENICE — It was a sign of the unfashionability of Antonio Canova, the neoclassical sculptor par excellence who lived from 1757 to 1822, that when recently the Victoria & Albert in London appealed for funds to stop "The Three Graces" from being sold abroad, the public filled the collection box with, as it were, small change and old buttons.

One critic made nasty comments about the size of the girls' bottoms, and others loftily pointed out that "the original" was, in any case, in the Hermitage though the English version is an autograph work, albeit later.

The Hermitage's "Three Graces" and nearly 40 fine pieces from there and other museums, along with numerous drawings, paintings, clay and plaster models, make up an unprecedented and all-embracing Canova review at Venice's Correr museum, (until Sept. 30), which is proving unexpectedly popular and can only help revive the artist's standing.

Seeing so much of Canova's work in the appropriate setting of the Correr's Napoleonic ballroom and staterooms overlooking St. Mark's Square, and having the chance to examine his preliminary drawing and modeling, serves to emphasize not just Canova's technical virtuosity but also the range of emotion he could capture—not to mention his ability to infuse the cool whiteness of marble with an erotic softness and suppleness that manages somehow to be both alluring and decorous.

THE Cini Foundation on the island of San Giorgio Maggiore has established a reputation for first-class shows, and though only a couple of minutes by water from St. Mark's, it is a tranquil refuge from the crowds.

From Pisanello to Tiepolo: Venetian Drawings from the Fitzwilliam Museum in Cambridge (until June 14) is well up to the usual standard: absorbing, various and with many memorable pictures. From Pisanello's light-trottered, rubbery-snouted wild boar to G. B. Tiepolo's sun-bleached country vignettes.

Flemish masters were eagerly sought after by 15th- and 16th-century Venetians and exerted considerable influence on native artists—a subject that has yet to be fully investigated.

Good Flemish pictures still remain here, including important works by Hieronymus Bosch, whose surreal and nightmarish cautionary visions of life on the other side provide the dominant motif for "The Delights in Hell" at the Doges Palace, a timely display of Venice's Flemish pictures (recently restored) and accompanied by related prints (until Aug. 8).

The first room of "Fossil to Hodler: Swiss Art From the Enlightenment to Modernism" a special exhibition at the Ca' Pesaro (until July 19), the Biennale's permanent home for modern art on the Grand Canal, brings to mind the observation of the English lady tourist overheard by Byron on his way to Italy, who, confronted by a wild scene of dizzying ice-bound peaks, precipices and cascades remarked: "Did you ever see anything so rural?"

These alpine pictures serve as an introduction to a modest trio by Füssli, better known as Henry Fuseli (1741-1825) outside Switzerland, which he had to leave as a young man following his exposure of a corrupt magistrate.

After wandering in Europe he won fame in England, drawing inspiration from Shakespeare, Dante and other classics to produce



Two Canova sculptures of Venus and Adonis, from the Hermitage, left, and the Villa La Grange in Geneva.

his weird, sexually charged gothic fantasies. Some of the later artists represented are talented, bold and bright, giving an unexpected and suitably summery feel to the show.

Florence is now firmly in the grip of Lorenzo the Magnificent fever. The 500th anniversary of his death falls this year, and more than a dozen exhibitions devoted to different aspects of the Florence of his era, from architecture to books and political factions, have begun to open their doors.

The title "Magnifico" was a common appellation for nonaristocratic bigwigs, and is, with ironic or jocular overtones, still used today.

NONETHELESS, Lorenzo's apparent appropriation of the word is symbolic of the Medicis' relentlessly pushy and highly successful promotion of their family and name.

"Le Temps Reviert: Feasts and Spectacles in the Time of Lorenzo" at the Palazzo Medici-Riccardi (until Aug. 30) is a fitting, colorful and entertaining tribute to the Medici genius for public relations. The courtly French title, "The Times Come Round Again," with its characteristically inflated suggestion of a return of the Golden Age, comes from Lorenzo's banner at a joust he organized in 1469.

Also, at the same place and not to be missed are the newly cleaned frescoes by Benozzo Gozzoli in the Chapel of the Magi, featuring members of the Medici clan, following the Three Kings (though the identification of the young Lorenzo is speculative).

Lorenzo was not quite the open-handed patron of the arts he is often presented as; commissioning comparatively little himself. He did, however, act as assiduous promoter of local artists, finding others to pay for their work. (Lorenzo lacked his father Cosimo's Midas touch, and the family bank was by then in a parlous state).

But it is beyond question that his age produced a plethora of brilliant artists from Filippo Lippi and Botticelli to Leonardo and Michelangelo.

It was also the age when drawing became an art form in its own right, and the Uffizi's star-studded exhibition "Florentine Drawing in the Time of Lorenzo" (until July 8), intelligently presented around a series of themes, is an unalloyed delight from start to finish.

Roderick Conway Morris is based in Venice and writes for The New York Times and The Spectator.

# Museum For an Island

## Sydney Exhibit Doesn't Neglect The Beach

By Michael Richardson  
International Herald Tribune

SYDNEY — Visitors walking from the city across Darling Harbor on the historic Pyrmont swing bridge see in front of them a large building, with a roof of interlocking white arches. The impression it gives of sails billowing in the wind or waves breaking on a surfing beach symbolizes the purpose of the Australian National Maritime Museum.

Opened in November, the museum illustrates how the sea has shaped Australia's history, society and ties with Europe, the United States and Asia.

Although several Australian states have maritime museums, a national institution was long overdue.

Australia, the world's largest island, has a vast coastline bounded by the Pacific, Indian and Southern oceans. Until air travel became a practical alternative in the 1960s, most travelers arrived or departed by sea.

In the 18th and 19th centuries, these were long, monotonous and sometimes dangerous voyages. Even the passenger liners that brought hundreds of thousands of migrants from Europe after World War II took four to six weeks to reach Australia.

The museum has exhibits on six major themes in Australia's maritime history: Discovery and exploration, first by aboriginal and Torres Strait Island seafarers, then, much later, by Dutch, British and French explorers; sea voyages after British settlement began in 1788 that brought waves of convicts, migrants and political refugees to the island continent; the whalers, sealers, traders, fishermen, port workers and seafarers who developed the country's vital maritime commerce; naval defense from the days of sail to the electronic age; leisure activities revolving around the sea; maritime links between Australia and the United States.

Kevin Fewster, the director of the museum, said the aim was to present "the broad sweep of Australia's maritime experience."

The museum is full of lively, amusing and sometimes moving insights into the way a multicultural nation evolved.

The section on beach life—which remains a national passion—is illustrated by photographs, videos, songs, travel posters, bathing costumes and many other items that conjure up images of sun, sand and surf.

The beach, Fewster said, is "an essential part of the Australian maritime experience" and is included because "history is about people, not things."

Nonetheless, more than 2,000 objects, out of a permanent collection of 12,000, are on display. They range from aboriginal bark canoes to the racing yacht Australia II, which won the 1983 America's Cup. The yacht, with its revolutionary, winged keel, just fits inside the main gallery of the building, which is 31.5 meters (103 feet) tall.

MORED in the harbor in front of the museum are about a dozen vessels on permanent display, including an Indonesian prau, a number of historic sailing vessels, a Vietnamese refugee boat and a retired Royal Australian Navy destroyer, the Vampire.

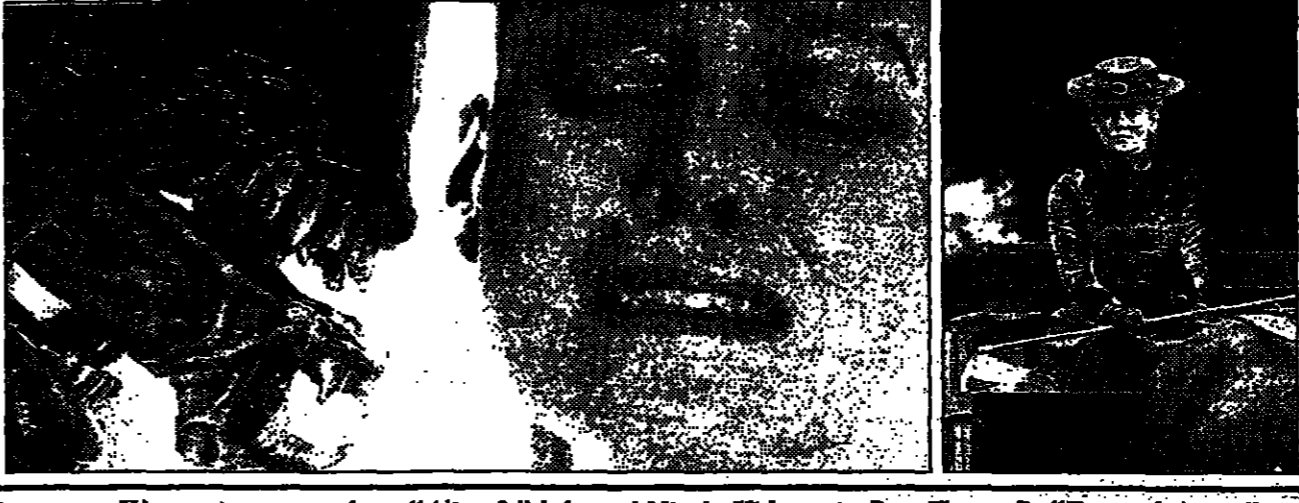
A number of the exhibits are interactive and computers provide documentary film and interviews at the touch of a key to illustrate various passages of maritime history.

The U.S.-Australia section alone has three hours of programming and was funded by a \$5 million gift from America for Australia's bicentennial celebrations in 1988.

Museum visitors learn that three Americans traveled with Captain James Cook, the British explorer who was the first European to sail along the east coast of Australia in 1770. The first foreign merchant vessel to arrive at Sydney in the newly established British colony of New South Wales was a U.S. ship with a welcome cargo of rum and other supplies. American seafarers also helped Irish convicts to escape from the settlement.

The museum has a permanent exhibition open from 10 A.M. to 5 P.M. on weekdays. Admission is free. Ticket prices are \$8.25, a child's ticket \$2.60. A museum shop is also available.

# THE MOVIE GUIDE



Sigourney Weaver in a scene from "Alien 3," left, and Nicole Kidman in Ron Howard's "Far and Away."

I've Heard the Ammonite Murmur  
Written and directed by Isao Yamada, Japan.

An early member of the stage-screen troupe of the late Shuji Terayama—he helped on the art direction for "Cache-Cache" and did the costumes for "A Farewell to the Ark"—Yamada continues to explore the closed but extravagant world of the master. Our lonely hero, hopelessly in love with his dying sister, wanders in a ruined world of tidal pools, concrete labyrinths, empty giant Ferris wheels, enormous seashells burning on the beach and the wreaths of them both when young. Missing from the vision is Terayama's mordant humor, his awareness of the dark side of sentimentality. Instead, in his first 35mm film, Yamada takes on an earnest pilgrimage that aims at evanescence but heads for kitsch. Felicitous but with no leavening, the film rises only to its own ostentation. Pretensions, arty, it

arrives at that showy but empty state that, for some reason, some French people seem to relish. This might explain its being the only Japanese film chosen for Cannes this year.

(Donald Richie, IHT)

Alien 3  
Directed by David Fincher, U.S.

It's apparent during the opening credits of "Alien 3" that this is going to be a movie for the generation that finds the computer friendly. Those of us born before 1975 can't possibly comprehend all of the introductory information that goes clicking across the on-screen television monitor, spelling out time, place and imminent crises with the relentlessness of a speed-reading exam. Unlike "Alien" (1979) and "Aliens" (1986), the new film, also starring Sigourney Weaver, "Alien 3" belongs to that branch of fantasy comics in which the iron and space ages meet for dizzy results. David

Fincher doesn't waste time trying to make things plausible. His direction of "Alien 3" suggests that he grew up reading instructions on how to program VCR's. He knows that most explanations, like directions, are incomprehensible, and thus irrelevant.

(Vincent Canby, NYT)

Far and Away  
Directed by Ron Howard, U.S.

"Far and Away," Ron Howard's saga about Irish immigrants in America, is the director's attempt to step into the cinematic shoes of John Ford and David Lean. And, certainly, he's stepped into something with this sprawling, old-fashioned melodrama. Though the film is pictorially stunning and at times diverting, for the most part it's a lumbering white elephant of a movie. Think of it not so much as "The Quiet Man" or "Ryan's Daughter," but as an epic Irish Spring commercial. Tom Cruise is the one who works up the manly aroma here as Joe Dur-

nelly, an impoverished fisherman who struggles heroically to make a living as a tenant farmer on the small parcel of rocky land his family loses. This is such a blowed bit of corn, and its characters and situations are so obviously hackneyed, that we can't allow ourselves to be swept away.

(Hal Hinson, WP)

Encino Man  
Directed by Les Mayfield, U.S.

This doltishly unhumorous new comedy about a misfit couple of California high-school nerds who discover a cave man buried in the back yard, is the kind of movie that gives evolution a bad name. The movie stars Sean Astin and Patsy Stone as losers who think their Cro-Magnon pal, Link (Brendan Fraser), will give them a boost up the popularity ladder. If Link is dumb, at least he has an excuse, which is more than you can say for Les Mayfield, who perpetrated this fossil.

(Hal Hinson, WP)

# HEAR THIS

You can't stop progress: The Japanese, always pioneers in this area, seem to have come up with a lipstick that stays put, thus avoiding the usual embarrassing smear all persons (let's not be sexist) who use this product have been shamefully living with. The Kanebo company has made a lipstick that is so well adhesive, that, according to The Associated Press, it has to be scrubbed off with some kind of special cleansing fluid. There's more, if you can take it: The lipstick is made with a material that denists use to make impressions of your teeth. It has been an unprecedented success in Japan, measured in lipstick sales, which, as you can imagine, somebody does measure. So, nostalgia buffs, it's curtains for all those romantic telltale stains on cigarette butts and champagne glasses. It might be best to keep this amazing product out of the reach of children.

# LETTERS

the peaks and towers of Disney landmarks. As my daughter Jordan was first to notice, the crowd, too, looks American. While they are mostly French, German or Italian, many of them wear American baseball caps and American college sweat shirts and varsity jackets — one more measure that Disney isn't the only bit of American pop culture that sells well overseas.

Yet the crowd is not at all like what we remembered of Disney crowds from last summer, when we made our first family trip to Disney World in Orlando. It had been an understudy. I will confess, that did not excite me at first. This one is for the kids, I told Margot, thinking of the rented beach house in South Carolina where I would rather be reading peacefully in the sun.

But Orlando's Disney World turned out to be a marvelous vacation, one of the best we ever had. Part of its appeal, to be sure, came from the reflected joy of the children. But to some degree its success also derived from the peculiar genius of the Disney people in making the experience as frictionless as possible. Despite the distances and vast crowds, the park works. At Disney World the orderly and well-entertained queue is itself a minor work of art.

This is one area where Euro Disney has a long way to go.

Over two days, the most oft-heard complaint was how untidy and even chaotic the queues seemed to be, even though the lines were not particularly long (it was rare to wait

longer than 20 minutes the weekend we were in the park, although crowds are sure to be worse in summer). Several times, we watched as whole families sneaked under ropes and pushed ahead in line.

None of Disney's employees appeared to be detailed to police the lines, and when people took it upon themselves to complain to the offenders, it was often of little avail: Everyone involved was literally speaking a different language, and either did not, or pretended they could not, understand what they had done wrong.

To suggest that people behave differently at Euro Disney than Orlando because they are Europeans, not Americans, is to venture onto shaky ground, particularly since enormous numbers of Europeans go to Orlando and seem to abide by the rules.

Still, anyone who has ever been caught in the mob at the bottom of most ski lifts in Europe can be excused for wondering if that kind of behavior doesn't have something to do with our separate cultural experiences.

Surprisingly, language was not a real problem, even though French is the language of choice at Euro Disney, not only for staff and patrons, but for all the park's robots and droids, pirates and keelboat captains, cowboys and cavalry officers. Restaurant menus are always presented in at least French and English and sometimes in German, Italian, Spanish and Dutch as well. Announcements in French are usually repeated in English, although not always intelligibly.

In any case, English-speaking staff is never more than a few feet away (most park employees wear small lapel-pin flags indicating their languages). Not only did the children manage to cope, but Peter even tried once to turn his lack of comprehension to his own advantage.

After an attendant on one ride told him, in French, to fasten a seat belt, he turned to me and asked: "Since I don't know what she's saying, I can do whatever I want, right?" The woman, overhearing him, quickly set him straight in English.

WHAT did not surprise us were the prices — we expected Euro Disney to be expensive. Mickey Glace, for example, a vanilla ice cream bar covered with chocolate and shaped like Mickey's head, costs about \$3. Such prices mean that feeding a family of five can add up to some dizzying expenses. One mistake we made was to head for one of the park's full-service restaurants for lunch. The Silver Spur Steakhouse in Frontland was pleasant and cleverly furnished, and the staff gentle (our waitress, a young Irish woman, told us how relieved she was to give her French a break and serve her first table of English-speaking patrons).

But I can't say the food was worth the \$170 it cost us for a variety of steak and meat platters, dessert and coffee, plus two bottles of mineral water (one more insult to France:

No wine, let alone beer or spirits, is available in the amusement park).

To top it off, there was a quibble over the tip. Service is not included, but the restaurant staff adamantly refused to allow me to add the tip on my credit card bill; it had to be in cash.

Even a light lunch at Casey's, the baseball theme restaurant on Main Street, is not inexpensive: a hot dog, Coke and bag of potato chips cost about \$6.60, which is more than a day's admission ticket to the Louvre. But my wife said the all-beef hot dogs were as close to the real thing we've had since moving to Europe a year ago.

Don't try to save on food costs by taking your own. Security people at the main gate, who search all bags and parcels, made us leave behind two breakfast baguettes we had brought along for the trip home.

A more basic consideration for Americans traveling in Europe this summer is why would anyone want to tack on a visit to Euro Disney in the first place. Despite the tortured explanations of park publicity people that Sleeping Beauty's castle was inspired by early French illustrations, Euro Disney has absolutely nothing to do with the French experience, a point that aggravated French intellectuals have not tired of pointing out. Still, for a family traveling with children, Euro Disney does have a certain logic. It is a relatively simple side trip from Paris, and for the kids, anyhow,

it's a nice break from the usual diet of Roman ruins and flying buttresses.

If you do decide to add Euro Disney to your itinerary, there is another decision: Should you stay in Paris or in one of Euro Disney's own flashy resorts, beside the park? There are six Disney hotels, each built around separate American themes, as well as Camp Davy Crockett, where guests stay inside comfortably furnished house trailers (it's a lot nicer than it sounds).

If you stay in Paris, as we did, getting to Euro Disney is easy enough. There is an RER commuter train station right next to the park entrance, and a one-way ticket is about \$5.60. One day's admission to the park itself is about \$42, and \$28 for children 11 years old and younger. (Multiple-day passes are available.) Meals will easily add another \$15 a person, even if you are willing to get by on pizza and hot dogs.

Counting the cost of the obligatory souvenirs (a lead pencil bent and curved in the shape of Mickey's head costs \$3, and a white cotton T-shirt with Euro Disney logo, about \$18), it may be the single most expensive day of your vacation.

Besides the extra francs, bring along a good supply of patience, both to handle the unruly crowds and the ubiquitous "technical difficulties" that the park's engineers still haven't worked out of the system. After that, enjoy yourself. Whatever else happens, your kids will think you're a hero.



Museum For an Island  
Disney Exhibit  
Don't Neglect  
The Beach



## Insurance: Make Sure It's Going to Be Where You Are

By Roger Collis  
International Herald Tribune

THERE are two fundamental rules when it comes to buying travel insurance: Make sure it covers what you need, and it is there when you need it. The first is a matter of where you're going, what you may be carrying, and what you want to do. The second means choosing a policy that includes an emergency assistance service with on-the-spot financial and practical help if you become sick or have an accident abroad. This should prepay or guarantee the full cost of medical expenses and arrange for repatriation, if necessary by air ambulance. Do not rely on insurance plans that

reimburse you when you get home; you may be refused treatment or not allowed to leave until bills have been settled. The same applies to personal liability and legal expenses.

The main point of travel insurance is protection against catastrophe. The art of buy-

### The Frequent Traveler

ing it is deciding what catastrophe means in your case, and how much risk you are prepared to take. And always buy by benefit, not by cost.

So start by assessing your needs and shop for a policy (you may need more than one) that best matches them. For example, you will need more medical coverage in the United States and Far East — \$1 million for peace of mind, whereas in Europe, \$300,000 should be ample. If you are just driving from France into Germany, vehicle breakdown may be your main concern, while if you're renting a car in the United States, you'd be wise to take out extra coverage for third-party liability.

On the other hand, trip cancellation and curtailment insurance may loom large if you have just booked an expensive cruise. Or you may value your video equipment more than your life, in which case it makes sense to buy special baggage insurance.

Frequent travelers often buy an annual

policy that covers their normal travel patterns, say within Europe and the Middle East, and take out additional insurance on a per-trip basis if they go elsewhere.

Emergency assistance services are a crucial part of travel insurance. They provide speedy help when you call a 24-hour hotline. They will guarantee or arrange for direct payment of hospital and doctors' bills, monitor your case, keep contact with your own doctor and repatriate you if necessary.

The idea originated in France in 1963, when Europ Assistance started an emergency service for car accidents and breakdowns. This provided on-the-spot help if you were sick or injured, up-front payment of all costs and the recovery and repatriation of a vehicle and passengers. Today you can buy medical and automobile assistance separately, and coverage is available throughout the world.

EUROP Assistance was joined in 1974 by Mondial Assistance, another French company formed by the Touring Club de France and two insurance companies. Now there are several companies offering a similar service, though not always for cars. Among them are the British-based Trans-Care International and Travellers Medical Service, and Access America, a venture formed by Blue Cross and Blue Shield.

Make sure you carry your policy — or better still, a card with a few words in the local language saying, "Please call this number."

If you have any actuarial doubts about the need for such a service, take note that around one in 1,000 travelers makes a claim for medical assistance, and one in six of those requires repatriation by air ambulance. Assistance companies market emergency services direct to the traveler or as part of other policies.

But before shopping, determine your existing coverage. Most people have enough life insurance, and corporate travelers are often covered for life and personal accident through company plans. Home ownership plans often provide protection for personal liability and loss of baggage and valuables. If you pay for tickets with plastic, you may be covered automatically for death or injury on public transport ("common carrier" insurance), personal liability, loss of baggage and flight delay.

Whatever the color of your plastic, don't rely on automatic card insurance. It's unlikely to cover medical expenses and cancellation insurance.

Some card companies offer excellent optional travel insurance. For example, American Express offers cardholders in Britain two comprehensive policies: Centurion Assistance, which you can buy in four "modules" (from \$56 to \$173) — or about \$100 to \$315 (per year), includes emergency services with Europ Assistance, emergency den-

tal work and help with emergencies at home when you're away; and Business Traveler for Amex corporate cardholders for £98, which includes travel and accommodation for a replacement colleague, along with two hours' legal advice on an English-speaking lawyer.

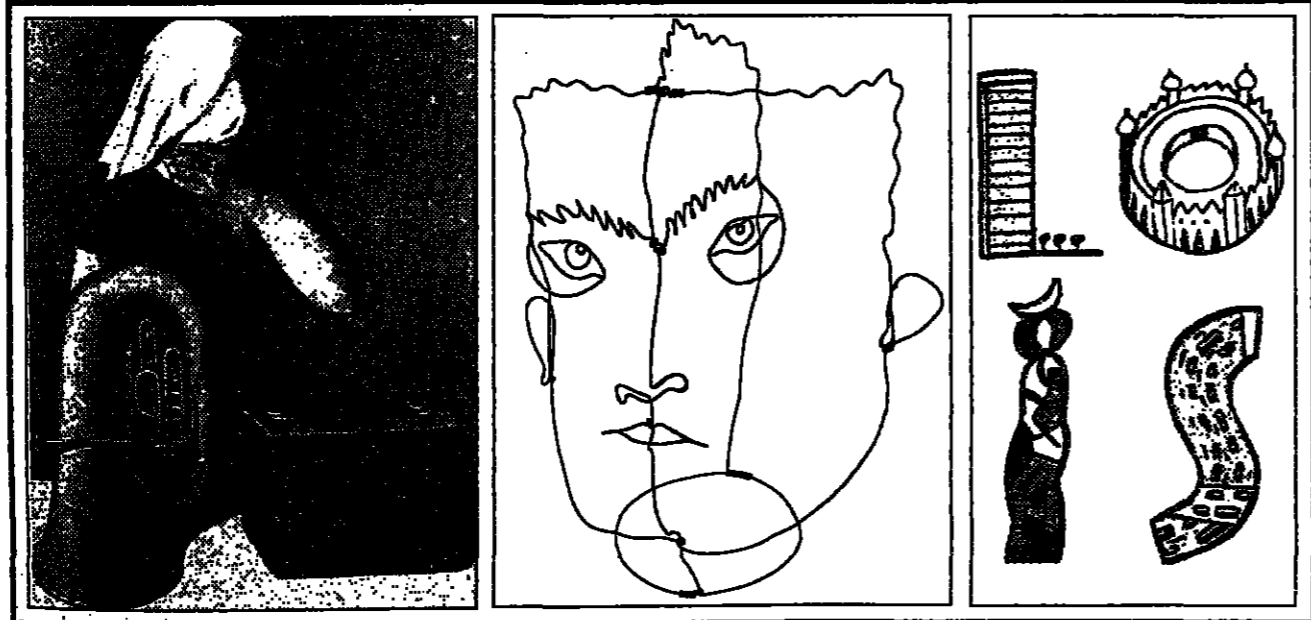
"These policies are only available in the U.K. at the moment," said Claudio Silberman at the American Express Bank in London. "But we're working on a pan-European product — a better version of Centurion — by the end of this year."

Insurance people rejoice in telling cautionary tales. A favorite theme is the peril of not having enough personal liability insurance when you rent a car in the United States.

"Even if you're renting from one of the big firms, personal liability limit is going to be about \$300,000, which is ridiculously low by European standards," said Malcolm Irvine at insurance brokers Campbell Irvine in London. "You only have to be involved in an accident with, say, multiple damage and injuries to risk bankruptcy litigation. What we suggest is 'top-up' liability insurance which costs around £40 for two weeks."

If in doubt, get an insurer to take you through "What if?" scenarios. Or consider a policy tailor-made to your specific needs. And it's worth bearing in mind what one insurance broker agent told me in a moment of candor: Nobody ever buys insurance, someone always sells it to them.

## THE ARTS GUIDE



From left, "The Central Story" by Magritte; "Varèse," wire by Calder; "Barcelona Alphabet."

**AUSTRIA**  
Salzburg  
Festspielhaus (tel: 84.19.07). Sir Georg Solti (June 8 and 9) and Daniel Barenboim (June 7) will conduct the Chicago Symphony Orchestra in a combined Berlioz, Liszt and Wagner program.

**BRITAIN**  
London  
Hayward Gallery (tel: 261.0127). To Aug. 2: "Magritte." A major edition of the works of the great Belgian surrealist artist; includes paintings, collages, gouaches, sculptures and printed books.

Queen Elizabeth Hall (tel: 629.88.00). Robert Saxton's first opera "Orestes," July 1 and 2.

Royal Academy of Arts (tel: 438.74.38). To June 7: Exhibition featuring 62 works by Alexander Calder, including numerous mobiles and stabiles, the art he invented.

Victoria & Albert Museum (tel: 238.35.00). To July 5: "Jewels of Fantasy, Costume Jewelry of the 20th Century." Jewelry created for the couture houses of Dior, Chanel, Versace or by famous designers such as Christian Lacroix, Romeo Gigli or Karl Lagerfeld.

watercolors and gouaches by the sculptor Ossip Zadkine (1890-1967).

Bordeaux  
Galerie des Beaux-Arts (tel: 56.90.81.60). To Aug. 30: "Henri Gervais (1852-1929)." The first retrospective of this little-known painter.

Nantes  
Musée des Beaux-Arts (tel: 40.41.85.55). To July 27: "Burne-Jones, 1835-1898." Drawings from the collection of the Fitzwilliam Museum in Cambridge, England.

Paris  
Grand Palais (tel: 48.04.38.86 for ticket reservations). To June 8: "Toulouse-Lautrec." Seventy paintings and 100 drawings, lithographs and posters.

Musée du Louvre (tel: 40.20.50.50). To June 29: "Clodion, Sculpteur (1738-1814)." A retrospective showing Clodion's evolution from vases and statuettes to monumental sculpture.

Musée d'Orsay (tel: 40.48.48.14). To July 25: "Gauguin." The works of the Art Nouveau architect and decorator, known for his Paris Metro station entrances, among other creations.

Musée Rodin (tel: 47.05.01.34). To July 19: "Rodin, 7,200 Dessins." An inventory of the artist's drawings.

Théâtre du Châtelet (tel: 40.28.28.28). Alban Berg's "Wozzeck" conducted by Daniel Barenboim, staged by Patrice Chéreau, June 3, 5, 8, 10, 13, 15.

To Aug. 2: Retrospective of works by Hieronymus Bosch (1450-1516).  
Rainer Werner Fassbinder Foundation (tel: 313.45.08). To July 19: First complete retrospective of the German cinematographer marks the 10th anniversary of his death.  
Cologne  
Kölnischer Kunstverein (tel: 221.37.40). To July 19: Retrospective of photographs and photo-montages by Joseph Albers (1888-1976), one of 20th-century Germany's most prominent artists.

**ITALY**  
Florence  
Galleria degli Uffizi (tel: 21.83.41). To July 5: "Florentine Design in the Times of Lorenzo the Magnificent." In honor of the 500th anniversary of the death of Lorenzo the Magnificent, one of a series of exhibits on art in the second half of the 15th-century. Drawings by Leonardo da Vinci, Botticelli, Michelangelo and Antonio Pollaiuolo among others.

Venice  
Palazzo Grassi (tel: 52.31.680). To July 5: "Leonardo and Venice." A display of Leonardo da Vinci's drawings while he was in Venice.

**NETHERLANDS**  
Amsterdam  
Rijksmuseum (tel: 673.21.21). To July 26: "Imitation and Inspiration." The Japanese influence on Dutch art starting in the 17th century when the first Dutch merchants were authorized to settle in Japan.

**UNITED STATES**  
Chicago  
UIC Theater (tel: 664.3370). To Aug. 21: International Theater Festival of Chicago features three internationally acclaimed companies, Poland's Akademia Ruchu, Théâtre Repère of Canada and Brown University's Rites and Reason.

Kansas City  
The Nelson-Atkins Museum of Art (tel: 561.4000). To June 14: "The Century of Tung Chi-Ch'ang (1553-1639)." 171 paintings and calligraphic items.

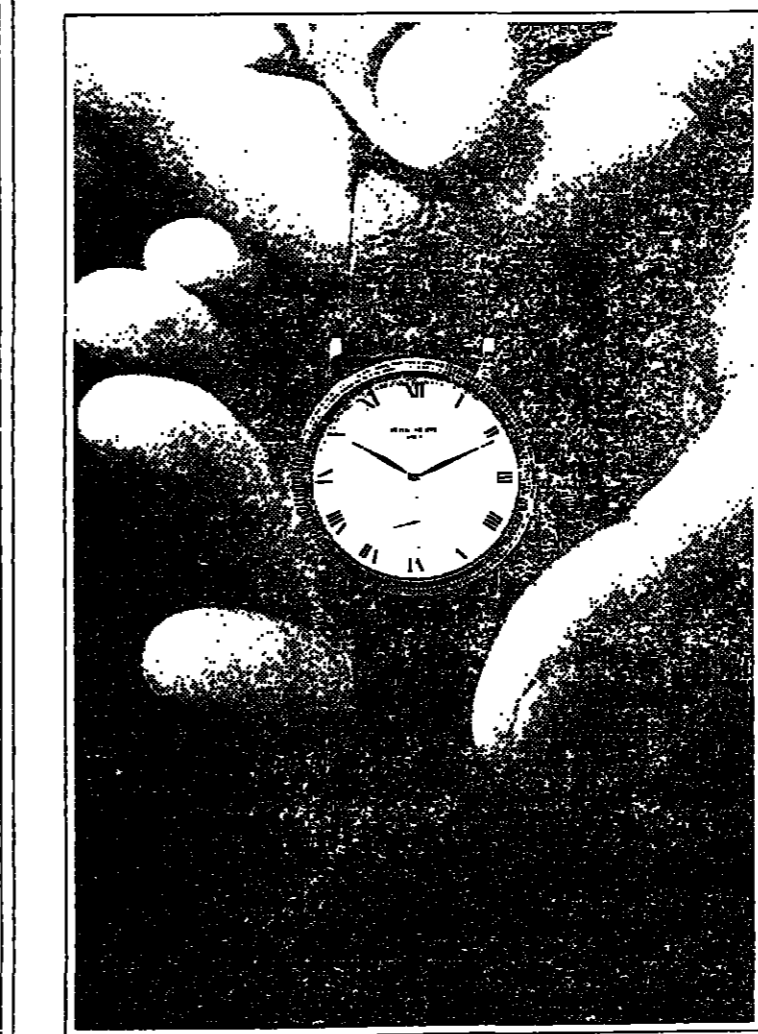
Los Angeles  
County Museum of Art (tel: 857.6111). To June 7: "Homage to Salvador Dalí." Showing 200 original models of his shoes created between 1927 and 1960. A retrospective that celebrates the creative richness of a man and an era. Highlights, among others, the famous "invisible" model made with nylon the woman he the Neimer-Marcus trophy in 1947.

New York  
Americas Society (tel: 249.8950). To July 12: "Barróco de la Nueva Granada: Colonial Art From Colombia and Ecuador." Part of the year-long commemoration of the Columbus quinquennial.

Metropolitan Museum of Art (tel: 535.7710). To July 12: A Selection of 100 pieces of Korean ceramics from the Museum of Oriental Ceramics in Osaka.

The Pierpont Morgan Library (tel: 685.0008). To Aug. 2: "Sketching at Home and Abroad: British Landscape Drawings, 1780-1850." Includes works by Turner, Constable, Cozens and Gainsborough.

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**WALL STREET WATCH**

**Starbucks Coffee Hopes IPO Will Be Hot, Tasty**

By Lawrence M. Fisher  
New York Times Service

**SAN FRANCISCO**—Is Wall Street ready to wake up and smell the cappuccino? Starbucks Corp., better known as Starbucks Coffee Co., thinks so. Last week, Starbucks announced an initial public offering of 2.1 million shares of common stock, priced at \$14 to \$16. The offering, the first by a specialty coffee retailer, is being co-managed by Alex Brown & Sons Inc. and Wertheim Schroeder & Co.

Founded in Seattle in 1971, Starbucks has long been an institution in the Pacific Northwest. In recent years, the chain has expanded aggressively into new markets, growing from 11 stores at the end of 1987 to more than 125 so far this year. With stores in Portland, Oregon; Vancouver, British Columbia; San Francisco; Los Angeles; and Chicago, Starbucks now says it is the largest U.S. specialty coffee roaster and retailer.

Specialty coffee retailers have traditionally been highly regional, giving them strong local followings but few sales outside their core market. By being the first to offer stock to the public, Starbucks could gain an advantage over potential competitors in its effort to expand nationwide.

It plans to enter the Denver area soon and Washington, D.C., within two years.

But being first has its drawbacks as well, because Wall Street analysts have no models for assigning value to sellers of coffee beans. And like Starbucks coffee, which can sell for more than \$7 a pound, the offering is priced relatively high: more than 60 times last year's earnings.

Starbucks earned \$2.4 million, or 24 cents a share, on revenue of \$57.7 million in the financial year that ended last Sept. 29. In the six months that ended on March 29, the company had earnings of \$2.1 million, or 19 cents a share, on revenue of \$42.8 million.

**ONE WAY** to view Starbucks is less as a retailer and more as a seller of a premium-brand consumer product, like Ben & Jerry's ice cream, said Jean-Michel Valette, a principal with the consumer group at Hambrecht & Quist, an investment-banking firm based in San Francisco.

"They've already succeeded as retailers, but the ultimate upside could be as a branded consumer product," he said.

"The difficulty for branded consumer goods, especially good ideas that don't come from big companies, is achieving distribution," Mr. Valette said. "One way to get around that is to be your own channel of distribution."

Starbucks has done that with shops that sell espresso and coffee drinks to go, as well as fresh beans and coffee makers. As with Ben & Jerry's ice cream, once Starbucks is well known nationally, its coffee could be sold through supermarkets, Mr. Valette said.

But that move would put Starbucks head to head with the major coffee roasters, like Folger's and Maxwell House, all of which now have or are working on premium brands, said Tom Pirko, president of Bevmark Inc., a Los Angeles-based beverage industry consulting firm.

Specialty coffee sales have grown by more than 30 percent in each of the last three years, even as sales of regular supermarket coffee have declined. With unroasted arabica beans wholesaling for 60 cents a pound, there is plenty of room for the giants to undercut Starbucks' premium prices, Mr. Pirko said.

"This is a balloon that could easily be pricked," he said. "This is a business with no walls around it, and potential competitors with bottomless pockets." Nonetheless, he said, Starbucks is a good company and the stock offering will probably be well received. "You're looking at a very contemporary, '90s-style business," he said. "They've found some of the hot formulas."

Starbucks also has a significant direct-mail business, with See COFFEE, Page 15

**Alan Bond Convicted In Perth**

**He Faces Sentence Of Up to 5 Years**

Compiled by Our Staff From Dispatches

**PERTH, Australia**—Alan Bond, bankrupt, his corporate empire in ruins and his family broken by divorce, was convicted Thursday on a charge of dishonesty and held in jail overnight awaiting a sentence that could put him in prison for five years.

A jury found that Mr. Bond, 54, until two years ago one of the richest of the 1980s generation of Australian entrepreneurs, had committed an offense by inducing a fellow Perth businessman to participate in a rescue of the collapsed West Australian finance company Rothwells Ltd.

The jury agreed with the prosecution that Mr. Bond had acted dishonestly by persuading the businessman, Brian Coppin, to contribute up to 15 million Australian dollars (\$12 million) to prop up Rothwells without disclosing that his former flagship, Bond Corp., was to be paid a 16 million dollar fee for organizing the rescue.

Judge Peter Blaxell remanded Mr. Bond in custody for sentencing on Friday. He faces a maximum sentence of a 20,000 dollar fine and five years in prison.

Mr. Bond had pleaded not guilty. His lawyer argued that vital testimony from the key prosecution witness, Laurie Connell, was wrong. Mr. Connell, former chairman of Rothwells, was charged with more than 70 counts of fraud and other offenses.

Mr. Bond's former wife, Eileen, divorced him this year. But she was in court with other members of the Bond family throughout the four-day trial, and after the verdict she broke into tears. Asked later how Mr. Bond had taken the verdict, she said, "Like the man that he is."

Last month, Mr. Bond was declared bankrupt after failing to pay a \$194 million guarantee on a loan to his private company, Dellhold Investments, by a bank syndicate.

His former brewing, resources, media and property empire under Bond Corp., worth 10 billion dollars at its peak, crumpled under its debt. (Reuters, AFP)

**Toronto Asks: Is O&Y Dead?**

Agence France-Press

**TORONTO**—The decision to put Olympia & York's unfinished Canary Wharf project in London under court administration has delivered the final blow to the world's largest property company, many analysts here said Thursday.

The Canary Wharf office development was considered to be the key project of Paul Reichmann, who founded the family-owned empire. The daily Toronto Globe & Mail quoted Olympia & York's bankers as saying the company was "finished."

The National Bank of Canada said Thursday it had set aside \$66.4 million, to increase provisions for its loans to Olympia to \$166 million. Another major creditor, owed \$830 million, said it had also raised its provisions for risky Olympia & York loans.

Industry experts said the company had lost its most important asset, noting that while North American laws allowed bankrupt companies to manage their own restructuring, Britain's laws turned total control over to the administrator.

Three partners from Ernst & Young were appointed as administrators to Canary Wharf by the High Court in London and were given 90 days to try to satisfy Olympia & York's creditors. Olympia and 29 of its Canadian and U.S. subsidiaries filed for bankruptcy protection on May 14 to restructure about \$12 billion in debts with 91 creditors.

[An O&Y official corrected the amount of the company's worldwide debt, saying it was the equivalent of \$11.2 billion, not \$12.4 billion as previously stated, Reuters reported from Toronto.]

In a statement published in London and Toronto, the company said the decision to place Canary Wharf under court-appointed administrators would not affect its subsidiaries, and the company's Canadian operations had assured creditors they would not use their earnings to rescue the Canary Wharf project.

**U.S. Fallout From Canary Wharf Should Be Mainly Psychological**

By Richard D. Hylton  
New York Times Service

**NEW YORK**—From a strictly technical viewpoint, the decision by Olympia & York to seek bankruptcy protection in Britain for Canary Wharf, a \$3.3 billion project in London's Docklands area, will have little or no direct impact on Olympia & York U.S.A.

The American subsidiary has not provided any guarantees to the creditors of the wharf project, and loans to the project are not doubly secured by any of the properties in New York or other U.S. cities.

Nonetheless, there may be a serious psychological reaction in the United States. Several bankers and other executives involved in Olympia & York's troubled restructuring negotiations in London and New York said the fate of the U.S. subsidiary would become clear over the next few days.

One banker said that among the possible results could be a decision by some of the lenders to force the U.S. subsidiary into bankruptcy rather than continue the piecemeal restructuring the company has pursued.

"You could also have certain creditors trying to move in on various collateral, and that would force Olympia & York to put the whole thing in, to prevent it from being chopped up," the banker said.

The main difference between a bankruptcy filing in the United States and those in Canada and Britain is that the U.S. process is friendlier to debtors. If Olympia & York seeks Chapter 11 protection in the United States, the creditors will probably suffer.

First, most of the loans to the U.S. subsidiary are secured only by individual buildings, and creditors

**Offer for Centel Is Assailed as Stock Plunges**

By Lawrence Malkin  
International Herald Tribune

**NEW YORK**—A Wall Street brawl broke out Thursday over a merger that would create a new telecommunications giant at a price that some analysts said was highway robbery.

Shares in Centel Corp., a Chicago-based company with \$1.2 billion in annual revenue, plunged \$10.625, to \$31.875, after Sprint Corp. agreed to acquire it in a stock swap. The merger would combine Centel's local telephone and cellular networks in more than a dozen U.S. states with Sprint's global services, which include the world's largest data-communications network and part-ownership of a transatlantic fiber-optic cable.

If completed in the three-month period allowed for examination and stockholder objections, Sprint, which reported revenue of \$8.8 billion last year and is the second-largest non-Bell telephone company in America, would be the only one in the nation to provide all classes of service since the court-ordered breakup of American Telephone & Telegraph Co. in 1984.

Further, Sprint, formerly known as United Telecommunications, would not be subject to AT&T's court oversight, which keeps local Bell systems out of the lucrative manufacture of telephone equipment. Combined assets would be about \$14 billion, larger than the No. 2 long-distance carrier, MCI.

The deal valued Centel at \$2.85 billion, or \$33.56 a share—far below its listed value of \$42.50 when the announcement was made after the stock market closed Wednesday afternoon. The fall in Centel shares pulled other cellular and regional telephone stocks along (Page 14), as McCaw Cellular Communications lost \$1.50 to \$27.50, Lin Broadcast lost \$3.50 to \$68 and Sprint itself \$1.375 to \$23.125.

Centel's 45-year-old chairman, Jack Frazee, put the company up for sale through investment bankers in January to capitalize on the consolidation in the industry, and arbitrageurs had bid the stock up as high as \$47.75, expecting great things. Some offers came for its valuable cellular properties in such major

markets as New York, Chicago and Houston, but asset sales would not qualify for the capital-gains tax forgiveness accorded a merger, and no other major phone company was able to swallow the billion-dollar Centel in the present competitive climate except for Sprint.

"I did push for a higher price," said Mr. Frazee. "This is the price the Sprint board was willing to go." But Marilyn M. Boucher, an analyst at Donaldson, Lufkin & Jenrette, said, "I think the Centel shareholders are getting holed." Kenneth M. Leon of Bear Stearns noted that Sprint's was the only bid and Mr. Frazee "would have been better off waiting" for the climate in the industry to clarify.

Some investment managers accused Mr. Frazee of selling the company cheaply so that he could stay around as president and chief operating officer of Sprint under its chairman, William T. Esrey. Mr. Frazee did not respond specifically but argued that the deal would pay off for shareholders in the long run and, meanwhile, had saved them \$1 billion in taxes.

Whether the verbal brawl would turn into a shareholder revolt remained to be seen. Mario Gabelli, the New York fund manager who has owned 5.9 percent of Centel for seven years, was undecided whether to challenge the merger.

Salvatore Mucio of Gabelli & Co. said it was still a buyer of the stock. One ground for complaint, he said, might be that only one round of bidding was conducted by the investment bankers, Goldman Sachs and Morgan Stanley, "and the outcome could have been an aberration rather than a reflection of the company's true value."

It would take 10 percent of the shareholders to delay the merger, and Mr. Leon doubted that enough would band together. "It's like Time Warner," he said, referring to one of Wall Street's most disputed mergers, in which Time Inc.'s board turned down a huge cash offer from Paramount Communications and chose instead to merge with Warner Communications and save management's jobs, and angry stockholders were powerless to stop the deal.

**CURRENCY RATES**

Cross Rates	May 28
Australia	1.00 1.50
Canada	1.00 1.33
France	1.00 6.56
Germany	1.00 1.93
Italy	1.00 1.93
Japan	1.00 163.60
Netherlands	1.00 2.20
Switzerland	1.00 1.75
UK	1.00 0.75
US Dollar	1.00 1.00

Other Dollar Values	May 28
Argentine peso	1.00 1.33
British pound	1.00 0.75
Canadian dollar	1.00 1.33
French franc	1.00 6.56
German mark	1.00 1.93
Italian lira	1.00 1.93
Japanese yen	1.00 163.60
Netherlands guilder	1.00 2.20
Swiss franc	1.00 1.75
UK pound	1.00 0.75

Forward Rates	30-day	60-day	90-day
Canada	1.33	1.33	1.33
France	6.56	6.56	6.56
Germany	1.93	1.93	1.93
Italy	1.93	1.93	1.93
Japan	163.60	163.60	163.60
Netherlands	2.20	2.20	2.20
Switzerland	1.75	1.75	1.75
UK	0.75	0.75	0.75

Interest Rates	May 28
3-month Eurocurrency	8.00%
6-month Eurocurrency	8.50%
1-year Eurocurrency	9.00%
3-month US Treasury	7.00%
6-month US Treasury	7.50%
1-year US Treasury	8.00%

Key Rates	May 28
Discount rate	5.00%
Federal funds rate	5.50%
Prime rate	6.00%
3-month Treasury bill	7.00%
6-month Treasury bill	7.50%
1-year Treasury bill	8.00%

Asian Dollar Deposits	May 28
1-month	3.00%
3-month	3.50%
6-month	4.00%
1-year	4.50%

U.S. Money Market Funds	May 28
Merrill Lynch Ready Assets	3.49%
30-day overnight yield	3.49%
Treasury Interest Rate Index	3.71%

GOLD	May 28
Spot	372.00
1-month	372.00
3-month	372.00
6-month	372.00
1-year	372.00

**U.S. and EC Negotiators Upbeat on Trade Talks**

By Stuart Auerbach  
Washington Post Service

**WASHINGTON**—After six hours of discussion on their bitter farm-subsidies dispute, top U.S. and European negotiators broke up their talks on Thursday amid faint signs that a way forward could be opened.

On Wednesday, Secretary of State James A. Baker 3d and two other U.S. cabinet members met the top trade official of the European Community, Frans Andriessen, in an effort to settle the transatlantic dispute, which has deadlocked five years of talks to invigorate the global rules of trade.

After the talks broke up, U.S. Trade Representative Carla A. Hills said the American side had offered no concessions to Mr. Andriessen, the EC commissioner for foreign affairs and trade.

[But a European source on Thursday said the talks had been encouraging. The Associated Press reported from Washington, "There's room for more exploration now," he said.]

After meeting over dinner Wednesday night with their staffs to discuss nonagricultural issues in the General Agreement on Tariffs and Trade, Mrs. Hills and Mr. Andriessen decided against continuing their talks Thursday. The EC also decided against a press briefing on Thursday, which the U.S. side viewed as a positive sign that both sides were seeking to be constructive rather than airing their differences.

Mr. Andriessen had demanded reciprocal U.S. moves to match the broad reforms in EC agriculture policies, primarily changes in gov-

ernment payments to farmers that were announced last week.

Instead, Mrs. Hills said the Bush administration offered "a number of suggestions" on how the EC could expand its reforms so they deal directly with issues in the trade talks. These include limits on subsidies for overseas sales and lowering of European trade barriers.

"We are trying to be creative and make suggestions incorporating what they have already done into what we hope they will do," she said.

The Europeans, though, have declared the announced reforms, which drew farmers into the streets in France, are as far as they can go politically. Nonetheless, Mrs. Hills said Mr. Andriessen would take the U.S. proposals back for evaluation by the EC and its 12 members.

"I hope we can get together again soon and make real progress," Mrs. Hills said.

Mr. Baker, fresh from meetings with EC officials in Europe over the Yugoslav civil war and the nuclear capability of the former Soviet republics, joined the talks to try to ease U.S.-European frictions over economic and trade issues.

Administration officials said Mr. Baker was trying to clear up the trade dispute to avoid its becoming an unwelcome centerpiece at the July summit of the seven richest industrial democracies. European officials said they hoped Mr. Baker, with his close ties to President George Bush, would bring a greater political dimension to the Uruguay Round of free-trade talks than the chief negotiators on the farm issue, Mrs. Hills and Agriculture Secretary Edward R. Madigan.

**Fiat to Cut Work Force As Part of Restructuring**

The Associated Press

**TURIN**—Fiat SpA will have to cut its work force as part of a planned restructuring, Chairman Giovanni Agnelli said Thursday. Commenting on an Italian newspaper report that Fiat was planning to close its plant at Chivasso to reduce its production capacity by 100,000 cars a year, Mr. Agnelli said, "Certainly there will be restructuring with personnel cuts." He did not elaborate.

A spokesman at Fiat headquarters said the company's management had scheduled a meeting with labor unions for Monday. Fiat, struggling with a weak European car market, has been resorting to temporary layoffs of workers every month for more than a year to reduce its production. Cutting its capacity by 100,000 cars a year would bring production to 2.04 million cars.

The Rome daily La Repubblica reported Thursday that Fiat wanted to close the Chivasso plant, where it produces Lancia models, and transfer the 4,500 workers to other locations or reduce the work force through voluntary incentive programs.

The Fiat chairman flew to Warsaw late Thursday and signed a \$2 billion deal for the acquisition of a 90 percent stake in PSN, the Polish state carmaker. A protocol of agreement was signed last week for the deal, which marks the biggest foreign investment in Poland.

**SOLVAY**  
**MAJOR DECISIONS IN A DIFFICULT YEAR**  
**SAME DIVIDEND PROPOSED**

KEY FIGURES FOR THE YEAR ENDING DECEMBER 31  
(data approved by the general meeting)

Solvay Group (in millions)	1990	91/90	1991	1991
	BEF	±(%)	BEF	USD
Sales	255,241	-0.2	254,801	7,893
Investments	36,500	-7.1	33,900	1,050
Research expenditures	12,846	+0.2	12,866	399
Net earnings	15,910	-21.8	12,440	385


Solvay S.A. (in BEF per share)  
Net dividend 500 500 15.49

Exchange rate 1991: USD 1 = BEF 32.28


Four major agreements that affect our future have been concluded recently. They will have an impact on our 1992 figures and confirm the growing diversification of the Group toward sectors and products that have more added value and are not very cyclical.

- A strategic alliance with the Upjohn company covering two central nervous system pharmaceuticals, an alliance which manifests our interest in the Health sector.
- Recovery of the Bernburg plant in Eastern Germany, which opens new prospects for our products in Central Europe.
- Take-over of 100% of the Interox companies' activities in hydrogen peroxide, persalts and related products, which will enable us to reinforce a core business with good margins and prospects for growth.
- Acquisition of a soda ash activity from Tenneco Inc., which gives us access to production of natural soda ash and enhances our geographical diversification in the United States.

In 1991, the Solvay Group witnessed a gradual economic slowdown and increasingly stronger competition. Although results are down in the Plastics and Alkalis sectors, they are virtually unchanged in the Peroxygens sector but are on the rise in the Processing and Health sectors. The dividend proposed to the General Assembly will remain at the 1990 level.



Baron Daniel Janssen  
Chairman Executive Committee



The annual report is available in English, French, Dutch and German on request from the Company Secretary, Solvay S.A., rue du Prince Albert 33, B-1050 Brussels

MARKET DIARY

Bond Rally Boosts Stocks to a Record

NEW YORK — A bond market rally and a late barrage of computer-driven buy orders pushed the Dow Jones industrial average to a record high on Thursday.

The Dow industrials gained 27.99 to 3,398.43, led by shares of Philip Morris, General Electric and McDonald's.

Advancing common stocks outnumbered declining issues by 4-to-3 on the New York Stock Exchange.

Traders said an afternoon rally in bonds touched off futures-linked equity buying and that when the Dow broke through 3,380, those holding short positions scrambled to cover, pushing shares higher.

Bonds extended gains coinciding with comments from the president of the St. Louis Federal Reserve that the central bank should not focus so much on economic data at the expense of price stability.

"Bonds were up yesterday and today, and that's one main reason the market's up," said Ricky Harrington, a technical analyst at Marion Bass Securities.

The yield on the benchmark 30-year Treasury bond fell to 7.86, down 4 basis points on the day, as its price rose 15/32 to 101 18/32.

Centel Corp. and Sprint Corp. were the first and second most active NYSE stocks, and both fell after they said late Wednesday that they agreed to merge, at a steep discount to Centel's market value.

Centel tumbled 10 1/2 to 31 1/2 on 6.4 million shares, while Sprint shed 1 1/2 to 2 3/8 on 5.2 million.

Traders said those two stocks put the entire color and U.S. regional telephone sectors under scrutiny.

Lin Broadcasting dropped 3 1/2 to 68 and McCaw Cellular fell 1 1/2 to 27 1/2. Rochester Telephone slumped 2 to 30 1/2.

Century Telephone fell 4 1/2 to 29 and Southern New England Telephone declined 1 1/2 to 31 1/2.

The Dow Jones transportation average slumped 12.15 to 1,347.53 after AMR Corp. cut its lowest advanced-purchase fares in half.

AMR's fare cut follows Northwest Airlines' decision to offer free tickets to anyone over 12 years old who is accompanied by a paying passenger between the ages of 2 and 17.

AMR Corp. fell 3 to 61 1/2. UAL Corp. declined 3 1/2 to 14 1/2. Delta Air Lines slid 3/4 to 56 1/2 and Southwest Airlines fell 3/4 to 43 1/2.

The dollar rose a little after the money supply data, to reach a high of 1.6280 DM in early Asian trading on Friday.

But it soon drifted lower to stand near 1.6250, right around strong technical support.

The dollar's recent rally was precipitated by a move through 1.6250 DM, and it repeatedly tested that level on Thursday.

With many Europeans out on holiday, U.S. traders took advantage of a thin market to profit.

Dealers said most of Thursday's moves were technical.

Tom Benfer of the Bank of Montreal said the dollar's inability to reach 1.6400 DM over the last few days gave traders an excuse to lighten positions.

But dealers remain bullish on the dollar overall.

"If the dollar holds 1.6250 marks it is poised to test 1.6400. If it breaks that, we will see another stage in the dollar rally," said Mr. Nelson at ABN/AMRO.

But dollar gains will be tempered by its relative weakness against the Swiss franc and yen.

"We need some help from the dollar/Swiss and dollar/yen to move much higher," he said.



The Dow Jones Industrial Average. Daily closings of the Dow Jones industrial average.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active stocks.

Table with columns: Vol., High, Low, Last, Chg. for AMEX Most Active stocks.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Most Active stocks.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary.

Table with columns: Vol., High, Low, Last, Chg. for Amex Diary.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Diary.

Table with columns: Vol., High, Low, Last, Chg. for Foreign Exchange.

Table with columns: Vol., High, Low, Last, Chg. for Eurotunnel Cash Plan.

Table with columns: Vol., High, Low, Last, Chg. for U.S. Futures.

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Table with columns: One, High, Low, Last, Chg. for Dow Jones Averages.

Table with columns: High, Low, Close, Chg. for Standard & Poor's Indexes.

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Table with columns: High, Low, Close, Chg. for NASDAQ Indexes.

Table with columns: High, Low, Close, Chg. for AMEX Stock Index.

Table with columns: High, Low, Close, Chg. for Dow Jones Bond Averages.

Table with columns: High, Low, Close, Chg. for Market Sales.

Table with columns: Buy, Sell, Short for N.Y.S.E. Odd-Lot Trading.

Table with columns: Call, Put, Chg. for S&P 100 Index Options.

Table with columns: Call, Put, Chg. for NYSE Diary.

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Table with columns: High, Low, Close, Chg. for EUROPEAN FUTURES.

Table with columns: High, Low, Close, Chg. for SUGAR (FOX).

Table with columns: High, Low, Close, Chg. for COCOA (FOX).

Table with columns: High, Low, Close, Chg. for COFFEE (FOX).

Table with columns: High, Low, Close, Chg. for METALS.

Table with columns: High, Low, Close, Chg. for ALUMINUM (High Grade).

Table with columns: High, Low, Close, Chg. for COPPER CATHODES (High Grade).

Table with columns: High, Low, Close, Chg. for LEAD.

Table with columns: High, Low, Close, Chg. for NICKEL.

Table with columns: High, Low, Close, Chg. for ZINC (Special High Grade).

Table with columns: High, Low, Close, Chg. for 3-MONTH EURO DOLLARS (LIFFE).

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U.S. Jobless Claims Hit 7-Month Low. WASHINGTON (AP) — The number of Americans filing new applications for unemployment benefits fell to the lowest level in more than seven months in mid-May, the Labor Department said Thursday.

Initial jobless claims fell 4,000, to 403,000, in the week ended May 16, the fewest since early October, the Labor Department said. However, the previous week's total was revised up slightly, to 407,000 from 406,000.

The latest drop came despite 1,400 claims in California tied to the Los Angeles riots. Economists had expected an increase of 4,000 claims. Labor Secretary Lynn M. Martin said, "I am encouraged by the steady and clear improvement that is evident in the economy."

Sears, Roebuck & Co. said Thursday that it was adding prescription drugs to the list of items offered in its mail-order catalogues. Specialty catalogs mailed June 15 will offer 10,000 prescription drugs, the company said, and a health-care section will be included in the next printing of its general merchandise catalogue.

Allscripts Pharmaceuticals will handle the orders for drugs, mostly maintenance prescriptions like medications for high blood pressure, thyroid and heart disease. Customers will have to mail their doctor's prescriptions, and it will take two weeks to fill an order, Sears said.

Japanese government and steel-industry officials on Thursday criticized U.S. companies' plans to file unfair-trade claims against foreign makers of dumping cheap steel.

Filing such claims would be an "abuse of U.S. unfair trade laws," said Hiroshi Saizu, chairman of the Japan Iron and Steel Federation. He denied that Japan dumped steel at unfair prices in the United States.

Fall in Money Supply Leaves Dollar Unmoved

NEW YORK — The dollar barely budged Thursday after data showed a sharp fall in the U.S. money supply, indicating that most dealers believe the chance of further Fed easing is virtually nil.

U.S. M-2 money supply for the week ended May 18 fell \$7.4 billion, well below a consensus forecast of a \$3.7 billion drop and out-

side even the most pessimistic projections. But most dealers had long ago discounted the idea of a Fed ease.

"I think the Fed stance has been made pretty clear, and the money supply is not going to change it," said John Nelson, vice president at ABN/AMRO and the Dutch bank's chief spot dealer in New York.

The dollar fell a penny to close in New York at 1.6270 Deutsche marks, from 1.6370 DM on Wednesday and dropped to 129.50 yen, from 130.18. The U.S. currency fell to 1.4768 Swiss francs from 1.4887 and to 5.4625 French francs from 5.4960. The pound rose to \$1.8050 from \$1.7949.

Tom Benfer of the Bank of Montreal said the dollar's inability to reach 1.6400 DM over the last few days gave traders an excuse to lighten positions.

But dealers remain bullish on the dollar overall.

"If the dollar holds 1.6250 marks it is poised to test 1.6400. If it breaks that, we will see another stage in the dollar rally," said Mr. Nelson at ABN/AMRO.

But dollar gains will be tempered by its relative weakness against the Swiss franc and yen.

"We need some help from the dollar/Swiss and dollar/yen to move much higher," he said.

Stephen Clapham, transportation analyst at Nomura Research Institute.

From Nike and Reebok, Adidas has suffered the desertion of several executives dissatisfied with Mr. Tapie's blunt style.

The company announced last week that it was laying off 1,200 employees at its French plants.

The most likely purchaser in case of a sale is widely thought to be Britain's cash-rich shoe company, the Pentland Group, which bought a 20 percent stake in Adidas for \$83.5 million last year.

Mr. Tapie, who was born poor and has often railed at the inbred snobbery of the French business establishment, made his fortune buying a succession of bankrupt companies in sectors as diverse as bathroom scales and ski bindings and turning them around.

Mr. Tapie has hinted that he may sell Adidas, which recorded a profit of \$27.2 million last year on sales of \$2.2 billion. Battered by increasing competition

from Nike and Reebok, Adidas has suffered the desertion of several executives dissatisfied with Mr. Tapie's blunt style.

The company announced last week that it was laying off 1,200 employees at its French plants.

Eurotunnel Cash Plan Is Expected

LONDON — Eurotunnel will tell investors on Friday how it plans to avert a cash crisis that threatens to put Europe's biggest building project on hold, industry sources said Thursday.

They said that the operating company for the Channel tunnel project made a statement about crucial financing talks with the 220-member banking consortium backing the £8 billion (\$14.4 billion) project.

The French-British building consortium Trans Manche Link is claiming £1.27 billion in cost overruns on the project.

Eurotunnel is in technical breach of the conditions attached to loans worth £6.8 billion, and its banks would have to agree to waive these to allow new money next month.

"The banks will give the waiver but only for a month," predicted Stephen Clapham, transportation analyst at Nomura Research Institute.

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WORLD STOCK MARKETS

Table with columns: Market, High, Low, Close, Chg. for various international stock markets including Hong Kong, London, Tokyo, etc.

Table with columns: High, Low, Close, Chg. for EUROPEAN FUTURES.

Table with columns: High, Low, Close, Chg. for SUGAR (FOX).

Table with columns: High, Low, Close, Chg. for COCOA (FOX).

Table with columns: High, Low, Close, Chg. for COFFEE (FOX).

Table with columns: High, Low, Close, Chg. for METALS.

Table with columns: High, Low, Close, Chg. for ALUMINUM (High Grade).

Table with columns: High, Low, Close, Chg. for COPPER CATHODES (High Grade).

Table with columns: High, Low, Close, Chg. for LEAD.

Table with columns: High, Low, Close, Chg. for NICKEL.

Table with columns: High, Low, Close, Chg. for ZINC (Special High Grade).

Table with columns: High, Low, Close, Chg. for 3-MONTH EURO DOLLARS (LIFFE).

Table with columns: High, Low, Close, Chg. for 3-MONTH EURO DOLLARS (LIFFE).

Table with columns: High, Low, Close, Chg. for 3-MONTH EURO DOLLARS (LIFFE).

# The Ever-Unpopular Ecu

## Companies Deem Currency a Hindrance

**Bloomberg Business News**  
**LONDON** — Despite the European Community's drive for monetary union, many companies say they still have little use for the European Currency Unit, which is meant to evolve into Europe's common currency by the end of the decade.

The Community's treaty on monetary union, approved in December in Maastricht, the Netherlands, envisages a single currency based on the Ecu for some, if not all, EC members by 1999.

The Ecu is a basket currency made up of the 12 EC currencies, weighted according to the gross national product and foreign trade of each. Commemorative Ecu coins have been minted, but they are not legal tender because the currency exists only as a unit of account.

"We don't use it at all," said John Linden, treasurer of Peugeot SA. "The French carmaker considers the Ecu more a hindrance than a help to group accounting." "To us, it's just a complication," he said.

Ironically, the success of the European Monetary System in minimizing volatility among European currencies has made the Ecu unnecessary as a hedging instrument for the company, Mr. Linden said.

"If we added the Ecu into everybody's accounts, it would add a whole series of new problems," the treasurer said. "It's another currency, and it's a currency against which we would have to hedge risk. There is a cost in covering Ecu risk."

The EC Commission, the executive branch of the Community, pays employees in Ecu, and some institutions such as the European Bank for Reconstruction and Development base their finances in Ecu. Companies, though, generally continue to buy and sell goods in the currency of local markets, publishing com-

# In a Shift, U.S. to Spur Investment In Romania

**Compiled by Our Staff From Dispatches**  
**BUCHAREST** — Lawrence S. Eagleburger, the U.S. deputy secretary of state, signed an investment treaty with Romania on Thursday and, in a clear policy shift, urged Western companies to pour capital into the country.

"This is the first of what I hope will be a whole series of indications to the rest of the world that U.S.-Romanian relations are ever closer," Mr. Eagleburger said after signing the treaty with Romania's foreign minister, Adrian Nastase.

The treaty gives Washington's official blessing to U.S. business interests in Romania by pledging to "encourage and protect investment."

"Your country and mine are once again on the road to an increasingly improved relationship in both economic and political terms," said Mr. Eagleburger, whose party included agriculture, treasury, trade and aid officials.

Relations between the United States and Romania have been lukewarm over the past two years because of doubts regarding the government's commitment to democracy. This has caused a delay in restoration of Romania's most-favored-nation trade status.

New presidential and legislative elections are due within the next few months, and Mr. Eagleburger said that the U.S. Congress would "like to see those elections take place before it was ready to move" on restoring U.S. companies such as PepsiCo International, Apple Computer and others have a presence in Romania. American investment lags considerably behind that of European countries such as France and Germany.

During his visit — the first by a senior American official since Secretary of State James A. Baker 3d came two years ago — Mr. Eagleburger also met Romania's president, Ion Iliescu, and prime minister, Theodor Stolojan.

Since the bloody December 1989 revolt in which Nicolae Ceausescu was executed, Washington has given Romania more than \$100 million-worth of humanitarian aid, mainly food and medicine, and \$20 million-worth of technical assistance. The United States also recently said it would give Bucharest \$10 million to improve farming as part of a package of funds from the Group of 24 industrial nations. (Reuters, Bloomberg)

# BAT Expects Earnings To Top 14% Growth

**Compiled by Our Staff From Dispatches**  
**LONDON** — BAT Industries PLC's pretax profit is likely to climb more than 14 percent this year, Chairman Patrick Sheehy said Thursday.

Mr. Sheehy, speaking to stockholders at the annual meeting of the tobacco and financial-services conglomerate, said first-quarter results "were a promising start to the year."

BAT's first-quarter pretax profit rose 14 percent to £262 million (\$472 million) from a year earlier. "I have every confidence this performance will actually accelerate as the year progresses," Mr. Sheehy said.

He also said that BAT aimed at least to match last year's dividend increase of 8 percent to 33.6 pence. BAT shares rose 23 pence, to 808.

Mr. Sheehy, in making his predictions, cited a "much brighter" outlook for the financial-services unit, based on strength in BAT's Farmers insurance unit in the United States, and on improvement in its Eagle Star arm.

A large loss at Eagle Star last year restrained BAT's 1991 pretax earnings to £1.05 billion, up 11 percent from 1990 and well below its peak of £1.77 billion in 1989.

Eagle Star results suffered in 1991 from recession and the collapse in the British property market, with domestic mortgage-insurance losses of £213 million resulting from a record number of repossessions.

But Mr. Sheehy said: "I do detect signs of life both in the housing sector and the economy."

Eagle Star lost £40 million pretax in the first quarter, hit by £31 million of mortgage indemnity provisions, but BAT said the underlying trend of the group was improving.

Mr. Sheehy said the performance of California-based Farmers would not be affected materially by recent riots, earthquakes and fires since it manages insurance exchanges in property and casualty business rather than writing insurance risk directly.

BAT said prospects for growth in its tobacco side were good, especially in economies such as Hungary, Ukraine and the Far East. (Bloomberg, Reuters)

Investor's Europe			
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	
1800	2700	2700	
1800	2600	2600	
1700	2500	2500	
1600	2400	2400	
1500	2300	2300	
Exchange index			
Amsterdam	CBS Trend	Closed	130.30
Brussels	Stock Index	Closed	5,936.53
Frankfurt	DAX	Closed	1,794.05
Frankfurt	FAZ	Closed	718.82
Helsinki	HEX	Closed	840.00
London	Financial Times 30	2,105.20	2,120.40 -0.33
London	FTSE 100	2,694.20	2,696.50 -0.16
Madrid	General Index	259.04	257.70 +0.52
Milan	MI8	975.00	973.00 +0.31
Paris	CAC 40	Closed	2,014.09
Stockholm	Affarsvarlden	Closed	1,067.65
Vienne	Stock Index	Closed	446.25
Zurich	SBS	Closed	668.30

**Very briefly:**

- Credit Lyonnais was granted a license to operate a branch in Vietnam, a Vietnamese banking official said, and it became the first foreign bank to receive permission to open a branch in Hanoi, the capital.
- Ukraine, which plans to abandon the ruble in favor of its own currency, will continue using the Russian unit for the near term for inter-republican trade, said the country's deputy prime minister, Vladimir Lanovoy.
- Greece has chosen six telecommunications groups to compete for provision of a mobile-telephone system: Cosmocom with Southwestern Bell; Hutchison Telecommunications Ltd. with AT&T; the Italian state phone company STET; and three other groups, Panafon SA; Kinitel, and Motorola with Bell Canada.
- Cypriot truck drivers suspended until Monday a four-day strike that had stalled export trade, the Cyprus News Agency reported.
- Oil & Gas Industries of Hungary will join the oil and gas companies of Croatia, Austria and Czechoslovakia in an international consortium to build a new gas pipeline parallel to an existing Adriatic oil pipeline. Hungarian officials said in Budapest.
- Body Shop International PLC shares lost 20 pence to close at 398 pence (\$5.38) amid talk that the stock is overvalued, although the company had reported Wednesday that profit climbed 26 percent for the year ended in February. (Reuters, AP, AFP)

# Thorn's Profit Holds Up Despite the Recession

**Reuters**  
**LONDON** — Thorn EMU PLC, the music and television concern, reported Thursday a 1.3 percent dip in annual pretax profit to £255.1 million (\$460 million), a result that its chairman called robust given the recession.

The chairman, Colin Southgate, said he expected a slightly better year ahead, although the improvement would be "slow and pretty uneven across different markets." Thorn's financial year ends on March 31.

The stock market chose to take a gloomy view of that forecast, and Thorn's shares fell 9 pence, to close at 837 pence.

Stock analysts said the market was also perturbed by a bigger-than-expected extraordinary loss of £85.8 million.

Thorn EMU said £57.6 million of the extraordinary loss for 1991-92 related to its withdrawal from the electrical-retailing business, and £20.8 million was from costs of restructuring its subsidiary Thames Television PLC, which loses its television franchise in 1993.

Thorn announced a small increase in dividend, 30.1 pence after 29.3 pence the previous year. It said revenue rose to £3.95 billion, from £3.66 billion.

Thorn has just bought Virgin Music group for £561 million, and takes possession of it on Monday.

Mr. Southgate said Virgin would be included for 10 months of the current year's result, and was expected to dilute earnings per share slightly in its first year as part of the group.

Thorn EMU's own music division, EMU Music, produced a result that it said was the best in its 93-year history. Thorn gave no comparative figures for EMU but combined results for the music and Thames Television subsidiary showed revenue up 39 percent at £1.42 billion and operating profit up 30 percent at £111.7 million.

The company's other major arm, its television-rental business, showed the impact of recession. Revenue was up 10 percent at £1.1 billion but operating profit slipped 11 percent to £139.6 million.

Thorn's other businesses, which Mr. Southgate said it could consider selling if it received the right offers, include security, electronics and the remains of its lighting division.

That division's operating profit slid 24 percent to £52.9 million.

# Scottish Power Earnings Climb Sharply

**Compiled by Our Staff From Dispatches**  
**LONDON** — Scottish Power PLC, announcing its first annual results since it was privatized, said Thursday that pretax profit had soared 60 percent for the year ended March 31.

Scottish Power said earnings rose to £259.9 million (\$466 million) from £162.6 million a year earlier. "We are pretty pleased with the results," said the chief executive, Ian Preston.

The sharpness of the profit rise was partly due to the fact that the previous year's figure had been slashed by a nonrecurring charge of £63.1 million for restructuring costs tied to the privatization. Without that charge, pretax profit would have been £226 million in 1990-91, and profit would have risen just 15 percent in the latest year.

The company also said it appointed Murray Stuart as chairman, effective July 31, when Donald Miller retires.

All the company's core electricity businesses contributed to profits. (Reuters, Bloomberg)

# Club Med Opens Operations in Japan

**Agence France-Press**  
**TOKYO** — Club Medterranee, the French resort operator, has installed itself in Japan as a base to launch efforts in Asia, the chairman and managing director, Gilbert Trigano, said here Thursday.

"We have important projects with Japan and from there in the whole region," Mr. Trigano said before opening a Club Med office in Tokyo's Omotesando area. He said it was only the third building opened by Club Med in the world, the other two being in Paris and New York.

The group had a difficult start in Japan during the 1970s. "We were received with a lot of skepticism," he said.

Club Med, which has 119 resorts worldwide, one floating resort and another floating resort to be opened in Noumea, New Caledonia, had revenue of \$107 million last year; that is expected to rise to \$130 million this year, Mr. Trigano said.

# O&Y: Administrators Take Over

**(Continued from page 1)**

belegged landlords elsewhere in London.

O & Y filed for bankruptcy protection in Canada and the United States for its Canadian assets on May 14, and the filing for Canary Wharf leaves little besides O & Y's far-flung U.S. holdings outside of court protection.

Price cuts will also be unlikely to spur demand for space at Canary Wharf. Elsewhere in the Docklands area, east of the City of London financial district, space can be had for £5 a square foot, compared with the £15 per square foot that Canary Wharf was recently said to be asking. (Its original objective was £30 to £40 a square foot.)

Yet landlords there have not been able to find any takers. Analysts said that even if Canary Wharf's bankers were willing and able to go that low, they would not have any more luck in attracting tenants, much less the front offices of the blue-chip banks and securities firms that O & Y originally targeted. "The idea of Canary Wharf as an alternative financial center is gone," said Tony Keys of the Investment Property Database.

Some property specialists suggested that it might be time to start thinking of finding alternative uses for some of Canary Wharf's office space. One London property analyst suggested that it might make an ideal high-security prison, citing the fact that "it is impossible to get to or out of."

For Canary Wharf's bankers, the project's slide into administration has already pledged fresh funds to keep it afloat, and hope of a sudden upturn in the property market is no less remote than that of a major investor swooping in to buy Canary Wharf at a knock-down price.

On the bright side, Mr. Crossley of Hoare Govett says he anticipates that the development's demise will barely be visible in the accounts of Britain's biggest banks. He noted that their bad-debt provisions were already running so high that "an odd £40 million here and there hardly breaks the surface."

# COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.	Year	1991/1990	1990/1989	1989/1988
<b>Britain</b>				
Thorn-EMI	1991/1990	255.1	226	226
Revenue	1991/1990	255.1	226	226
Profit	1991/1990	68.8	62.4	62.4
Per Share	1991/1990	0.88	0.81	0.81
<b>Canada</b>				
Bank of Montreal	1991/1990	1.17	1.10	1.10
Revenue	1991/1990	1.17	1.10	1.10
Profit	1991/1990	1.07	1.01	1.01
Per Share	1991/1990	1.07	1.01	1.01
<b>Germany</b>				
Pressens	1991/1990	229.0	223.0	223.0
Revenue	1991/1990	229.0	223.0	223.0
Profit	1991/1990	229.0	223.0	223.0
Per Share	1991/1990	229.0	223.0	223.0
<b>Japan</b>				
Bank of Tokyo	1991/1990	794.7	794.8	794.8
Revenue	1991/1990	794.7	794.8	794.8
Profit	1991/1990	6.8	6.8	6.8
Per Share	1991/1990	26.7	24.9	24.9
<b>U.S.</b>				
C. Itah	1991/1990	12.6	11.6	11.6
Revenue	1991/1990	12.6	11.6	11.6
Profit	1991/1990	12.6	11.6	11.6
Per Share	1991/1990	12.6	11.6	11.6
<b>United States</b>				
Deere & Co.	1991/1990	1.67	1.67	1.67
Revenue	1991/1990	1.67	1.67	1.67
Profit	1991/1990	1.67	1.67	1.67
Per Share	1991/1990	1.67	1.67	1.67

# COFFEE: Starbucks' IPO

**(Continued from first finance page)**

colorful brochures describing the exotic attributes of coffees from places like Kenya and Sumatra and offering espresso machines, filters and other paraphernalia.

Its stores stand out as bright and inviting and are typically clustered in high-traffic urban and suburban areas. Many serve as informal neighborhood gathering places where regular customers linger over coffee and muffins. And even though coffee beans at \$7 a pound or a cup of fresh coffee at \$1 are luxuries, they are affordable luxuries at a time when many people are shying away from big-ticket items.

The concept is a very strong one and it should be transferable to other markets," said Janet Joseph Kleppenberg, a retail analyst with Robertson, Stephens & Co. in New York. Starbucks "has a very strong following, and even in its mature markets, has continued to grow," she said. "My impression is the initial public offering will give them the capital they need to accelerate that growth and expand into new markets."

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1. Submission of the report of the liquidator;
2. Appointment of an auditor to the liquidator;

Shareholders are advised that no quorum is required for the holding of this meeting and the decision will be passed by a simple majority of the shares present and voting.

In order to be valid, proxies duly executed by shareholders should be mailed to the registered office so as to be received the business day preceding the meeting at 5:00 p.m. at the latest.

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37 38 39 40 41 42 43 44 45	37 38 39 40 41 42 43 44 45	37 38 39 40 41 42 43 44 45	37 38 39 40 41 42 43 44 45	37 38 39 40 41 42 43 44 45
46 47 48 49	46 47 48 49	46 47 48 49	46 47 48 49	46 47 48 49

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# Phone Monopoly on the Line

## Changes at Home Could Hurt Hongkong Telecom

By Laurence Zuckerman  
International Herald Tribune

**HONG KONG** — Two years ago, when Cable & Wireless PLC sold 20 percent of its controlling stake in Hongkong Telecommunications Ltd. to China International Trust & Investment Corp., China's premier state-controlled investment vehicle, investors were relieved that the company had taken steps to ensure Hongkong Telecom's future after the colony is returned to the mainland in 1997.

Few probably thought a threat would come from the opposite direction: the Hong Kong government.

But earlier this week, local newspapers reported that the Executive Council, Hong Kong's virtually omnipotent cabinet presided over by the governor, was pushing the company to reduce its local and international rates and had decided not to renew Hongkong Telecom's monopoly on local service when it expires in 1995.

The company would retain its monopoly on international service, from which it derives 60 percent of its profits. But many analysts are convinced that deregulation of local service will force the government to open up international service as well.

"It's difficult to see letting others in and leaving the international monopoly intact. Otherwise, what is the incentive?" said Eric Sandlund, managing director of Tyndall International (Asia) Ltd.

On Thursday, Hongkong Telecom announced a 12 percent

rise in after-tax profit, to 5,673 billion Hong Kong dollars (\$732 million), or 50.9 cents a share, for the year ended March 31.

The gain was smaller than the 16 percent rise in profit a year earlier, and was slightly below analysts' projections. But company officials said the decline was due to a tax-rate increase of 5 percent.

All of the company's core telecommunications services showed strong growth, led by service to China, which shot up 35 percent.

Michael Gale, Hongkong Telecom's chief executive, said the company's traffic with China was now 41 percent of total in-

**'We have not sat back over the last few years.'**

John G. Tonoreo,  
Hongkong Telecom  
finance director.

ternational traffic and would maintain its growth pace.

Hongkong Telecom's China business has made it attractive to foreign investors, especially in the United States, where it has an American depositary receipt listed on the New York Stock Exchange. But at home, where it is the largest-capitalized company on the Hong Kong Stock Exchange, investors are wary about the company's future.

"It's a trendy time for telecoms, but there is a lot of local uncer-

tainty," said Peter Phillips, a fund manager with Fidelity Investments Management (H.K.) Ltd.

Hongkong Telecom shares fell 35 cents, to 9.75 Hong Kong dollars, on the Hong Kong Stock Exchange on Thursday.

In addition to worries about its monopoly status, the company's franchise agreement with the government expired in March 1991 and it has been negotiating a replacement ever since.

At a press conference on Thursday, Mr. Gale declined to comment on the reports or to say anything about the progress of the company's negotiations with the government. But the chief executive later told securities analysts that the negotiations had extended beyond the deadline he had set for them, though he expressed hope an agreement would be reached soon.

"The implication was that the new package will contain international tariff decreases," said an analyst who was present at the meeting, adding, "It is quite clear the monopoly will cease in 1995."

Hongkong Telecom executives say they are ready for competition, citing the company's modern network, which is now 94 percent digitalized, and a hefty capital investment program that includes 3.7 billion Hong Kong dollars this year and an average of 3 billion dollars for each of the following years until the end of the decade. "We have not sat back over the last few years," said John G. Tonoreo, the company's finance director. "We have prepared ourselves very well."

# Microsoft Software Takes Aim at the Heart of IBM

By John Markoff  
New York Times Service

REDMOND, Washington —

Once best friends, now quarrelsome enemies, Microsoft, the largest U.S. software company, and IBM, the largest computer company, are edging toward a much wider war. The battlefield is the heart of International Business Machines Corp.'s market: the data-processing centers of Corporate America.

Microsoft Corp., which dominates the personal-computer business, has invested \$400 million and spent five years developing an operating system — the software that controls computer operations — that may make it a force in commercial computing and the fast-growing workstation business.

The program is known as NT, for new technology. It is scheduled to be given in July to outside software developers who write applications programs. If all goes well, it will be released commercially in early 1993.

Microsoft hopes NT will provide a framework for essential programs like those that perform payroll, accounting, inventory and other business computer applications.

If Microsoft is right, success will come not only at the expense of IBM's latest version of its OS/2 operating system, which was released in March, but from its more expensive mainframe and mini-computer machines as well.

At the core of the NT project is a team of about 100 programmers in Redmond led by David Cutler, a software designer who many people believe is Microsoft's foremost weapon in its challenge to IBM.

At Digital Equipment during the 1970s and '80s, Mr. Cutler was legendary as one of the most prolific and successful U.S. software developers. There he engineered Digital's VMS software, the basis of Digital's successful attack on IBM in business computing during the mid-1980s.

A protégé of Gordon Bell, a leading computer designer, Mr. Cutler sought to distance himself from Digital's corporate politics after Mr. Bell left the company a decade ago. Still working for Digital, he moved a team to the Seattle area and began designing software and hardware around chips for reduced instruction-set computing, or RISC.

In 1988, Digital decided to build workstations based on a competing chip made by MIPS Computer Systems Inc. Frustrated, Mr. Cutler and his team left Digital. With little difficulty, William Gates, Microsoft's chairman and co-founder, was able to woo them from Digital.

Mr. Cutler's current team includes Leif K. Pederson, NT Windows development manager; Lou Perazzoli, software-engineering manager, portable systems, and David M. Thompson, development manager, portable systems.

"He's one of the classic software engineers who has no formal computer-science training," said Roger Heinen, a vice president in charge of Macintosh software at Apple Computer. "He's an iconoclast and he has rough edges, but he hardly ever makes mistakes."

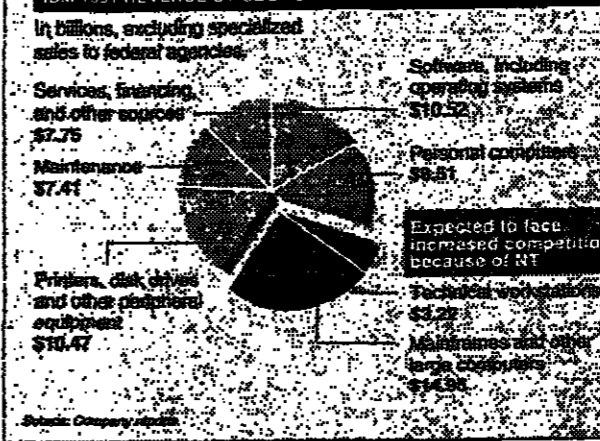
While NT is at least a half-year away from shipping, it already has attracted the attention of corporate customers, and Microsoft has prepared a group of 100 software "evangelists" to try to persuade companies that have written their programs for IBM computers and Unix workstations to rewrite them for NT.

Increasingly in recent years, as computer hardware has fallen in price and become more of a commodity, operating systems have

## Widening the Battlefield

Microsoft's next operating system, NT, will be able to run on both personal computers and on larger workstations and mainframes, making it easier for customers to break the IBM hardware habit and buy other companies' machines.

IBM 1991 REVENUE BY SEGMENT



The New York Times

taken center stage in the industry wars.

Mr. Gates has likened them to the railroads of the information age. His message is simple: The company that wins the coming 32-bit operating system war will control the computer industry.

"NT represents the end of the dichotomy between what's a PC and what's a workstation or a mainframe," he said.

But positioning NT is a delicate challenge for Microsoft, which is trying to straddle the desktop and commercial markets.

The company is anxious to avoid the fate that befell OS/2 when it was introduced by Microsoft and IBM in 1986. Incompatible with existing MS-DOS software, the

Ballmer, Microsoft's executive vice president.

Mr. Ballmer acknowledges that when NT is introduced it will at first be little more than a niche business. Yet Microsoft's persistence and staying power are an established fact. Mr. Gates first introduced his Windows program in 1983. The program was generally ignored and did not become a best-seller until nine years later.

NT is crucial to Microsoft's strategy because its 11-year-old MS-DOS program is showing its age. The software publisher is under pressure to respond to IBM's OS/2.

Many software executives expect the introduction of NT to be a painful process for Microsoft. They point to the high cost of IBM's agonizing difficulties in trying to ship a biennial-free version of OS/2 2.0.

Competition among 32-bit operating systems is likely to be far more punishing than what Microsoft has experienced in the PC market, many executives say.

In addition to IBM's OS/2, other high-powered operating systems are on the playing field. IBM and Apple Computer have a joint venture called Taligent that is completing a radical new operating system called Pink.

Apple has its own System 7 for the Macintosh, and Sun Microsystems has Solaris. Unix Systems Laboratories and Novell Corp. will announce a new version of Unix for PCs and workstations later this month. In addition, Next Inc. has its own version of Unix that in many ways is the technically most advanced operating system today.

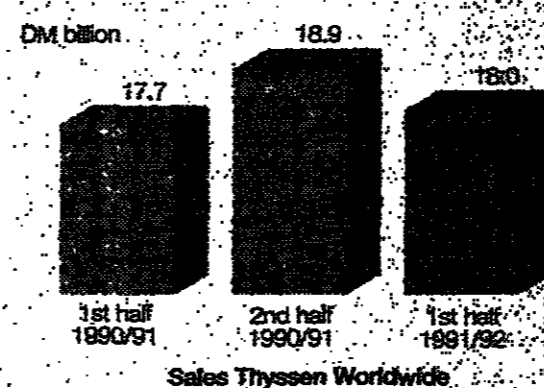
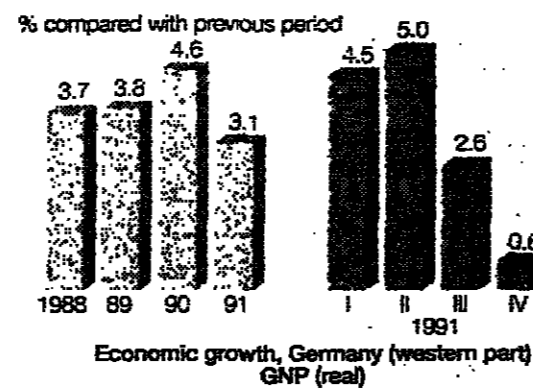
All have a lead on Microsoft and are serious about grabbing a share of the future operating-systems market.

# Thyssen informs: Proving Ourselves in Times of Structural Adjustments

Interim report for the first half of 1991/92  
from October 1, 1991 to March 31, 1992 (unaudited)

Sales Thyssen Worldwide 1st half: 1990/91 1991/92

Sales	DM billion	17.7	18.0
Pretax profit	DM million	470	376
Net income	DM million	227	203
Capital expenditure	DM million	1,230	1,460
Order intake	DM billion	19.1	19.2
Employees			
Sept. 30, 91 / March 31, 92		148,250	147,810



Capital expenditure

During the first half of fiscal 1991/92 Thyssen invested just under DM 1.5 billion, 18 percent more than in the comparable period of the previous year. A good DM 1.3 billion was accounted for by tangible and intangible assets. The biggest individual item was building the new second large-scale blast furnace in Duisburg. Another emphasis was expanding regional coverage of the trading and warehousing organizations in eastern Germany.

## Sales

Since the summer of 1991 the Federal Republic of Germany has experienced a declining global economy. Despite this, Thyssen succeeded in surpassing the high comparable sales of the previous period by 2 percent during the first half of the current fiscal year. Still, the circumstances in the various Business Groups are far from homogeneous. Whereas some Groups continued their successful growth, others met with cyclical downturns.

The consolidated companies and branches in the eastern part of Germany generated sales of DM 614 million in the first half of 1991/92. This compares to DM 375 million in the same period of the previous year.

Sales by the Capital Goods and Manufactured Products Business Group were up by 13 percent. Thyssen Industrie improved by another 10 percent, and most of its business sectors achieved double-digit growth rates. Only Thyssen Engineering and, for invoicing reasons, Blohm + Voss were down from the level of the previous period.

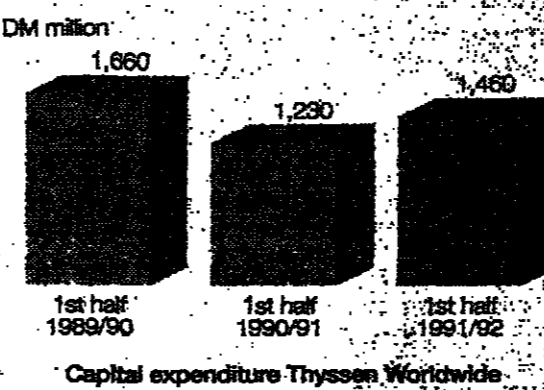
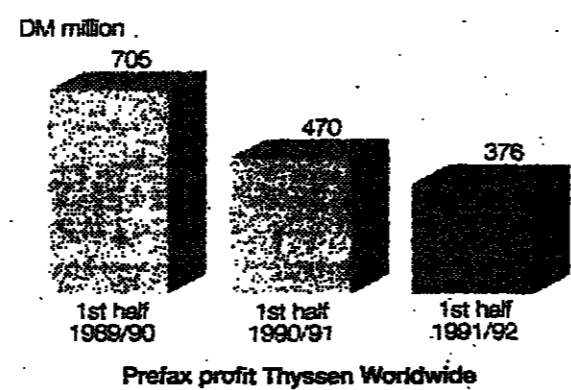
During the period, The Budd Company increased US dollar sales by 10 percent, despite a still frail US automotive market. A favorable factor for Budd was the improvement in demand for light trucks. Sales by the Wülfath Group were up one-third due to the full inclusion of Dolomitwerke (previous year only 50 percent).

The Trading and Services Business Group nearly reached the level of the previous year. The problems in the world steel industry also affected steel and scrap trade. This was offset, to a large degree, by further improvements in the services activities that continue to expand. Also favorable was the situation regarding building and construction products.

Sales by Specialty Steel dropped another 10 percent. The market for long products and bright steel continued to be difficult, both in terms of tonnages and revenues. Flat product tonnages were more favorable, though prices here, too, were under heavy pressure.

Sales by Steel were down 4 percent, mainly because of weaker revenues. Shipments were almost at the same level. Rail production, steel casting and steel joining facilities were all busy. The building systems and welding product groups were extended through acquisitions.

Sales	DM million	1st half:	1990/91	1991/92
Capital Goods and Manufactured Products			5,136	5,809
Trading and Services			7,463	7,395
Specialty Steel			1,702	1,533
Steel			5,290	5,089
Net sales Business Groups			19,591	19,826
less sales among Business Groups			1,829	1,738
Sales Thyssen Worldwide			17,722	18,038



## Result

The result by Thyssen Worldwide to date was within expectations. Pretax profit came to DM 376 million and was down compared with the first six months of the previous fiscal year. Net income declined slightly to DM 203 million.

## Guaranteed dividends

Business at Thyssen Industrie was good, the result again improving. Stockholders of Thyssen Industrie AG are guaranteed a dividend amounting to 6/10 of the Thyssen AG dividend. Stockholders of Edeltahlwerk Witten AG and Stahlwerke Bochum AG, both of which no longer carry out any business activities of their own, receive a guaranteed dividend pegged to that paid by Thyssen AG. At Stahlwerke Bochum, for DM 100 share of stock this is 2/3 of what is paid on DM 100 capital stock of Thyssen AG — or at least DM 6. Stockholders of Edeltahlwerk Witten are paid on a DM 100 share of stock the same dividend as paid on two DM 50 shares of stock of Thyssen AG.

## Order situation

Despite a declining overall economy, the Thyssen Group companies during the first half of fiscal 1991/92 succeeded in booking orders at the same level as in the first half of the previous period. However, this situation was partly the outcome of a number of major contracts, especially for shipbuilding. Orders received from eastern Germany more than doubled. In the western part of Germany order intake grew, too. In contrast, orders received from abroad dropped significantly. As of the end of March, orders on hand rose to DM 15.3 billion.

## Prospects

The frequently proclaimed recovery of the world economy so far failed to materialize. North America and Great Britain are having a tough time finding their way out of the recession. Economic momentum is lacking in Western Europe, too, not to mention the collapse in Eastern Europe. Even in Japan, the forces of growth are noticeably weaker. Any stronger indications of a recovery in the global economy can only be expected for 1993.

In such an economic environment, our materials producers in particular are encountering resistance in their efforts to implement necessary price increases. All the Business Groups are carrying measures aimed at improving their cost situation, which, however, initially lead to cost burdens. Nonetheless, the Group result will be positive in the second half of 1991/92, too. In such a situation, the broadly based products and service range of the Thyssen Group is proving itself.

The merger of the two Business Groups, Steel and Specialty Steel, scheduled for October 1, 1992, will open up additional income potential in the future.

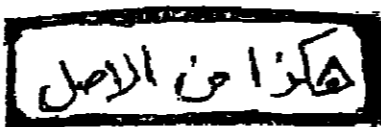
## Employees

At the end of March 1992, Thyssen Worldwide employed nearly 148,000 people. 21,000 were working for the companies in the Federal Republic of Germany, of which 4,100 were at the consolidated companies and branches in the eastern part of Germany. Companies outside of Germany employed just under 27,000 people. Throughout the Business Groups, emphasis was on cutting back work force to improve costs. This work force increase in Capital Goods and Manufactured Products is attributable to the addition of the pressing plant Ludwigsfelde near Berlin and the complete inclusion of Dolomitwerke (previously consolidated at 50 percent).

Employees	as of:	Sept. 30, 1991	March 31, 1992
Capital Goods and Manufactured Products		59,953	59,933
Trading and Services		29,369	28,789
Specialty Steel		14,132	13,574
Steel		45,420	45,145
Thyssen AG		376	369
Thyssen Worldwide		148,250	147,810



THYSSEN AKTIENGESELLSCHAFT







# NASDAQ

Thursday's Prices  
NASDAQ prices as of 3 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

High	Low	Stock	Div	Yld Pct	High	Low	PA	QY
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00

High	Low	Stock	Div	Yld Pct	High	Low	PA	QY
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
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100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
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100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00

High	Low	Stock	Div	Yld Pct	High	Low	PA	QY
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
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100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00

High	Low	Stock	Div	Yld Pct	High	Low	PA	QY
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
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100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00

## PHILIP MORRIS SUPERLIGHTS

THE UNIVERSAL TASTE OF LIGHTNESS.

### NYSE

Thursday's Closing  
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

High	Low	Stock	Div	Yld Pct	High	Low	PA	QY
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00

High	Low	Stock	Div	Yld Pct	High	Low	PA	QY
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00
100.00	98.00	IBM	3.00	2.9	100.00	98.00	100.00	100.00

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**For investment information**  
read THE MONEY REPORT  
every Saturday in the JH

J.C. Hughes  
Project  
Core

JVC Joins Hughes in Projectors

Compiled by Our Staff From Dispatches
TOKYO — Hughes Aircraft Co. and Victor Co. of Japan said Thursday they would form a joint venture to make video projectors...

The new company, Hughes-JVC Technology Corp., will start marketing a professional model of a projection TV this summer. A consumer version is due in 1994.

JVC and Hughes Aircraft will put a total of \$62.5 million into the company, to be based in Carlsbad, California. JVC will own 40 percent and have an option to buy 10 percent more.

JAL Has Loss, Rivals Retreat

Compiled by Our Staff From Dispatches
TOKYO — Japan Air Lines reported a loss Thursday and two other Japanese airlines reported lower pretax profits for the financial year ended March 31, saying economic slumps at home and abroad had reduced demand for air travel.

JAL, the nation's largest airline, reported a pretax loss of 6.04 billion yen (\$46.5 million) on flat sales of 1.115 trillion yen for the year.

All Nippon Airways, Japan's second-largest airline, reported that pretax profit fell 12 percent to 22.44 billion yen, down 11.6 percent from the previous financial year, on sales that rose 9 percent to 799.15 billion yen.

Gulf crisis and the bursting of Japan's "bubble economy" of rampant speculation in stocks and real estate in the late 1980s pulled down its sales.

"Sales revenue was down 80 billion yen from the original forecast," said a spokesman for the carrier, Greg Frey Tudor.

JAL relied heavily on its international operations and carried 8.33 million international passengers in the current year, up 5.4 percent, but posted a 1.5 percent drop in revenue.

The increase in passengers was mainly in economy class, while the numbers of business and first class passengers declined.

Passenger demand for business class dwindled as Japan's economy slowed to a crawl and Japanese firms cut back on expensive business trips abroad, industry analysts said.

JAL said it expected to post no parent current profit for the current financial year, net profit of 3 billion yen and sales of 1.18 trillion yen.

"We expect to achieve this because revenue will be going up, we will be maintaining tight control on costs and we will be streamlining our corporate structure," Mr. Tudor said.

Price Wars Hurt Hitachi's Profit

Compiled by Our Staff From Dispatches
TOKYO — Price wars in chips and computers helped push profit down 33 percent at Hitachi Ltd., Japan's biggest electronics company, in the year ended March 31, the company said Thursday.

Hitachi also forecast a further decline in profit in the current year.

Group pretax profit fell to 374.9 billion yen (\$2.9 billion) from a year earlier, the company said, while group sales were flat at 7.77 trillion yen.

Core Earnings at Japanese Banks Rose in Year

Agence France-Press
TOKYO — Japan's leading commercial banks reported Thursday their third successive year of falling pretax profits on depressed revenues for the year to March, and said they expected little improvement in earnings during the current year.

But the 11 "city" banks also announced rebounds in net operating profits from core activities such as borrowing and lending.

"These are very good results," said Robert Zdzinski, a banking analyst at Jardine Fleming Securities. "It's good news for the financial world. Japan's banking sector is still intact."

Sumitomo Bank said its income before tax tumbled 13.4 percent, to 245 billion yen. Revenue fell 12 percent to 4.34 trillion yen, although net operating profit jumped 14 percent to 300 billion.

Sumitomo Bank said its income before tax tumbled 13.4 percent, to 245 billion yen. Revenue fell 12 percent to 4.34 trillion yen, although net operating profit jumped 14 percent to 300 billion.

Hong Kong Edges Closer To Quasi-Central Bank

Compiled by Our Staff From Dispatches
HONG KONG — The government took a major step Thursday toward setting up a monetary authority, assuming more of the functions of Hongkong & Shanghai Banking Corp., which once acted as the colony's de facto central bank but now is shifting increasingly overseas.

The government said it was setting up a liquidity-adjustment facility, which would act as a form of discount window through which solvent banks with liquidity problems could get emergency credit.

The Office of the Exchange Fund, which increasingly acts as the territory's quasi-central bank, said the facility would be introduced beginning June 8.

Analysts said the window would provide the government with an additional monetary tool to influence interest rates in the interbank market and to keep the Hong Kong dollar close to its loosely pegged rate of 7.8 to the U.S. dollar.

Economists welcomed the move as long-overdue for a colony without a central bank, saying the Office of the Exchange Fund could become a fully fledged monetary authority within a year.

discount window was highlighted by the failure last year of the local unit of the disgraced Bank of Credit & Commerce International, which triggered runs on two small local banks plus the British-owned Standard Chartered Bank and Citibank of the United States.

Hong Kong had long needed a mechanism to stabilize the interbank market — where banks deal with each other — and the latest move would strengthen the Exchange Fund's ability to control short-term interest rates, said Mr. Chan of Bank of East Asia.

"This is another step in the direction of the fund becoming a central monetary authority, which I think will be in place within one year," he said.

Ian Perkin, economist at the Hong Kong General Chamber of Commerce, agreed that this probably would happen shortly, certainly before Hong Kong returns to China in 1997.

The Office of the Exchange Fund is charged with maintaining the Hong Kong dollar's stability but over the past few years has assumed more central banking functions from Hongkong & Shanghai Bank. That institution's parent, HSBC Holdings PLC, last month launched a \$3.4 billion (\$6 billion) bid for Britain's Midland Bank and will move its headquarters to London if it succeeds.

Tenaga Shares Jump in Debut

Compiled by Our Staff From Dispatches
KUALA LUMPUR — Malaysia's largest-ever stock flotation got off to a strong start Thursday as newly listed shares in the state electricity concern, Tenaga Nasional Bhd., rose sharply in busy trading.

The 3.1 billion ringgit (\$1.23 billion) Tenaga flotation, part of the government's privatization program, ended the day's trading at 8.75 ringgit (\$3.47) a share, just off a high of 8.85 ringgit and almost double the 4.50 ringgit offer price.

Tenaga issued 685.07 million shares in the flotation. Brokers said the bulk of buying was by local investors, as foreigners were unwilling to chase the share price up so high.

"Fund managers are grabbing whatever shares are available just to get Tenaga into their portfolios," said Ang Kok Heng, research manager of TA Securities Sdn. "The price almost seems immaterial to them."

Tenaga, the flagship of Malaysia's privatization program, is the second utility to be floated after Telekom Malaysia, the phone monopoly, which raised 2.35 billion ringgit in November 1990.

Investor's Asia

Table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225. Includes line graphs and a table of exchange rates for various indices.

Very briefly:

- South Korea's gross national product grew at a 7.5 percent annual rate in the first quarter, down from 8.7 percent a year earlier, the central bank said, a sign that the overheated economy was cooling.

Taiwan to Fund 2 Plants in Texas

TAIPEI — Taiwan's central bank will lend \$245 million of its foreign-exchange reserves to finance two petrochemical plants built by Formosa Plastics Corp. in Texas, a central bank spokesman said Thursday.

Large table containing financial data, advertisements, and fund listings. Includes sections for 'INTERNATIONAL FUNDS' and 'Other Funds' with columns for fund names, currencies, and values.

# SPORTS NBA PLAYOFFS

## Bulls One Away From 2d Straight Finals

By Clifton Brown  
New York Times Service  
CHICAGO — By protecting their home-court, the Chicago Bulls moved closer to the National Basketball Association Finals for the second straight year.

Chicago took a 3-2 lead in the four-of-seven-game Eastern Conference championship series, defeating the Cleveland Cavaliers on Wednesday night, 112-89, at Chicago Stadium.

The Bulls can end the series by winning Game 6 on Friday night in Chicago. If Cleveland wins, Game 7 will be played Sunday in Chicago.

Led by their bench and their swarming defense, the Bulls opened the fourth quarter with a decisive 15-0 run, expanding their lead from 73-71 to 88-71 with 6 minutes 20 seconds left to play. Cleveland was held scoreless for the first 5 minutes 40 seconds of the fourth quarter.

Cliff Livingston started the surge with a baseline jumper, and Scott Williams added a 10-foot jumper. After a Michael Jordan steal, Jordan passed to Williams, who made a layup after two pump fakes while being fouled by John Williams.

Then after Jordan missed a lane jump shot, Scottie Pippen grabbed the offensive rebound and made a four-foot jumper.

Then a two-on-one Bulls' fast break, resulting in a layup by B. J. Armstrong, forced Cleveland's coach, Lenny Wilkens, to call a timeout. But it did not help.

Jordan added two free throws. Pippen scored on a dunk, and Jordan added one more free throw. Brad Daugherty finally ended Cleveland's drought by making a free throw, but it was much too late to help Cleveland.

While the Bulls were taking control, the Cavaliers could not even hit a basket. During the

## 112-89 Rout of Cavaliers Gives Chicago 3-2 Lead

first four minutes of the fourth quarter, the Cavaliers missed six shots and allowed five turnovers. The Bulls' defense turned up its intensity, and the Cavaliers' offense fell apart.

Chicago entered the fourth quarter with a precarious 73-71 lead. Mark Price, Cleveland's All-Star point guard, led the rally with a 16-point third quarter.

Price did everything — three times making three-point shots in the period, making off-balance driving shots and making the Bulls wonder how to stop him. Price had to step up because some of his teammates had to sit down.

Larry Nance committed his fifth personal foul with 7:41 left in the third quarter, forcing him to sit out the rest of the quarter. He was joined on Cleveland's bench three minutes later.

## Daly Named Nets' Coach

EAST RUTHERFORD, New Jersey — Chuck Daly, who resigned as coach of the Detroit Pistons earlier this month, was named coach of the New Jersey Nets on Thursday.

"I'm sorry we were unable to get this done a little sooner," said the Nets' general manager, Willis Reed. "When you're out trying to catch big fish, you have to be patient."

Daly, who will coach the U.S. Olympic team this summer, had long been mentioned as the leading candidate to replace Bill Fitch, who resigned earlier this month after a tumultuous season. The Nets were 40-42 and made the playoffs for the first time since 1986, but had open disputes on the bench with some players.

by Mike Sanders, who committed his fourth foul.

But while the Cavaliers had foul trouble, the Bulls had foul-shooting trouble. Pippen missed four of six free-throw attempts in the third quarter, squandering precious points. With Pippen struggling, the Bulls turned to Jordan, who had a 12-point third-quarter, giving him 32 points when the fourth quarter began.

The Bulls led at halftime, 46-38, and they needed strong defense to do it. Jordan was their lone offensive first-half threat, leading all scorers with 20 points.

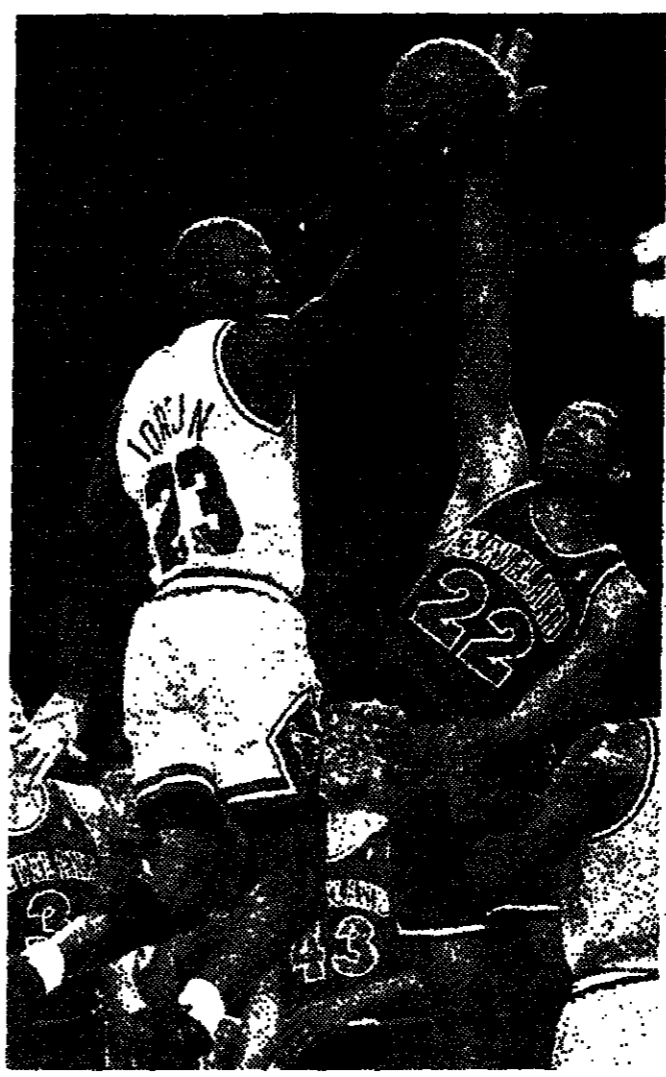
Although Jordan said he did not want to carry the offense, he really did not have much choice. None of the other Bulls seemed willing, or able, to give him the scoring help he wanted.

But the Cavaliers had more offensive problems than the Bulls did. Brad Daugherty, their All-Star center, had a scoreless first half. Chicago's strategy of double-teaming Daugherty worked to perfection.

Bill Cartwright did an excellent job musing Daugherty out of shooting range, while another Bulls' forward or guard converged on Daugherty whenever he made a move. Daugherty seemed almost resigned to not scoring much, looking to pass before he looked to shoot. And that was exactly what the Bulls wanted.

With their main inside scorer cut off, the Cavaliers' offense sputtered. Nance and John Williams combined for just nine first-half points. Price scored eight points in the first half, but was scoreless in the second.

As usual, the Chicago Stadium fans kept the volume turned up. They booed loudly when Danny Ferry entered the game late in the first quarter. Ferry was fined \$5,000 on Wednesday for throwing two punches at Jordan in Game 4, but the fans wanted to make sure Ferry knew he was not forgiven.



Michael Jordan soaring over the Cavs' Larry Nance to score.

## The Game's Reinventor, Left Behind by the NBA

By Harvey Araton  
New York Times Service  
NEW YORK — The last call Dolph Schayes would make to the old man was not unlike countless others over four decades. The subject, as always, was basketball, a game invented by James Naismith and reinvented into its current popular form by an irascible fellow named Daniel Bissone.

"They won't give me a television," Bissone complained to Schayes on Sunday from the intensive care unit of a hospital in Syracuse, New York.

His 83-year-old body having surrendered to cancer, his life into its final 24 hours, Bissone wanted only to watch the Portland Trail Blazers play the Utah Jazz and the Cleveland Cavaliers play the Chicago Bulls.

"Oh, Danny never stopped following the game," said Schayes, the long-time star of Bissone's great love, the Syracuse Nationals, which Bissone outlived by 29 years.

A few weeks before Bissone's death on Monday, Schayes and Paul Seymour, another former Nat, visited Bissone at his bowling alley, the Eastwood Sports Center.

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That is understandable, as Bissone stood 5 feet 6 inches (1.68 meters). Perhaps more important to the shaping of his conviction was the manner in which he and his Nationals were treated by the NBA.

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Will he be proved right about the modern NBA, the league of sky boxes and \$300 front-row seats, and the direction in which it is going? "Danny knew basketball and he loved basketball," said Schayes, who named his son, the Milwaukee Bucks' center, after Bissone.

## Croatian World Champs Looking Out for No. 2 at Olympics

BADALONA, Spain — They are reigning world basketball champions and defending Olympic silver medalists. They have won both of their recent games against the United States.

Yet Drazen Petrovic, Toni Kukoc and Dino Radja dream only of another silver medal this summer. They have already conceded Olympic basketball gold to the American "Dream Team."

"I don't think anybody's going to even come close to the U.S. team," Radja said. "I don't think anyone can come within 20 points."

Both the basketball world and the real world have changed since Petrovic, Ku-

koc and Radja last beat a U.S. squad, at the 1990 World Championships. They played for Yugoslavia then. They play for Croatia now.

They faced college stars then. They will face Michael Jordan, Patrick Ewing and other National Basketball Association titans this summer.

"The gold medal in Barcelona is reserved for the Americans," said Petrovic. "The rest of the teams will have to fight it out for the silver and the bronze. The Americans are much better than all the rest put together."

Petrovic, Kukoc, Radja and several Croatian teammates formed the nucleus of the Yugoslav teams that won the world

title and placed second to the Soviet Union at the 1988 Seoul Olympics. Croatia gained its independence from Yugoslavia last year and Olympic recognition followed. The Croats now play for Croatia, while Serbia — such as the Los Angeles Lakers center Vlade Divac — still play for Yugoslavia.

Petrovic, a shooting guard, led the New Jersey Nets into the NBA playoffs this spring. Kukoc, a skinny 6-foot-10 (2.08-centimeter) sharpshooter considered the best talent in Europe, may be Croatia's point guard this summer.

Radja, who plays in Italy and was drafted by the Boston Celtics, has lost

some of his mobility due to injuries but still should be Croatia's starting center. Stojko Vrankovic, a backup with the Celtics, will share the pivot with Radja. He also played on Yugoslavia's 1988 Olympic and 1990 world championship teams.

On Wednesday night, Petrovic led Croatia to a 106-79 victory over Italy in a four-team pre-Olympic basketball tournament in Trieste, Italy.

Lithuania, with many former Soviet stars, and Yugoslavia are expected to battle Croatia for silver and bronze at the Olympics. Even if Yugoslavia and Croatia were still together, Petar Skansi, the Croatian coach, said they would be no match for the Americans.

"They will win the gold medal, because never before has a team like that been to the Olympics," he said. "But they will have some problems — they will face zones and teams will try some clever things."

The United States was 62-0 in Olympic basketball until 1972, when the Soviet Union won a controversial final.

In the '80s, Soviet and Yugoslav teams regularly defeated U.S. squads of college players. The NBA players must now rise to the challenge, Skansi said.

"The rest of the world is very close to American college players," he said. "And now is the time to show us the best they have. Maybe in 30 years we will reach them."

## LOOKING FOR THE LIGHT: The Hidden Life and Art of Marion Post Wolcott

By Paul Hendrickson. 310 pages. \$35. Alfred A. Knopf Inc., 201 East 53rd Street, New York, New York 10022.

Reviewed by Jane Howard  
THE old Calypso song had it, "It was love, love, love alone that caused King Edward to leave his throne." That was in 1936. Five years later a similar fate befell Marion Post, an accomplished Farm Security Administration photographer whose life story is told in "Looking for the Light," by Paul Hendrickson, Washington Post staff writer.

Since 1938, Marion had been wandering the American landscape from Florida to Montana, mainly in the South and usually alone, adding superb pictures to a governmental archive of "what this country looked, felt and tasted like during the bitter years." In 1941, at age 31, she laid her cameras down — more or less permanently, it turned out — to get married.

She thus parted company with a corps of photographers, including Walker Evans, Dorothea Lange and Carl Mydans, whose mission was to produce "accurate, sympathetic images of America that could be channeled into news releases, exhibits, magazines, newspapers, even movies, to show that New Deal programs were desperately needed, to show that... hope

out there was alive." Working for the FSA was exciting, but it could be brutal, as we learn in a chilling letter from Marion's boss, Roy Stryker. He advises her not altogether kidding, "We really don't care what the black dust does to you as long as you can work, but I hate like the devil to see it get into your camera."

Leon Wolcott, whom his wife's biographer calls a "handsome, muscular, high-ranking federal official," turned her attention further and further from photography. Lee, as he was called, was a widower with two small children. Soon he and Marion had two more.

Until 1954 the Wolcotts lived successively on three farms in Virginia. Between then and the early '80s, they "switched residences and countries about thirty times." The Agency for International Development sent Lee to Iran, Pakistan, Egypt and India. Now and then Marion would aim her camera at someone or something, now and then she longed for the collegiality of the FSA days, but her husband, she told a friend, was "so jealous of any photography I try to do... he doesn't want me to photograph anything."

She and Lee weren't parted until she died of cancer at age 80 in 1980. "Marion lasted with Lee, and vice versa, and there is a kind of art in that," says Hendrickson, though not "art that will ever hang in museums."

Marion Post Wolcott's thousands of pictures, 77 of which are here reproduced, are splendid. Hendrickson, who admits to "a monster crush" on his subject, has

devoted a lot of energy and time to this book. But in his reports of visits to the sites and when possible the subjects whom Marion photographed, he can be irritating, especially when he refers to her, as he does repeatedly, as "a shooter." Sometimes, he tells us, she traveled "at night, the flat feel of the giant moonstruck land hanging right at her elbows; out there, jubilant, exhausted, alone. A shooter."

You'd think that all the old FSA crowd used to refer to themselves and each other as "shooters," but at least two of them swear that they first heard the word only recently, and wouldn't mind never hearing it again. The trouble with Hendrickson's prose is that he tries too hard. This would be a better book if Hendrickson had spared his readers his asides on his own "small pool of [artistic] despair," on a "question I had never before even considered, amidst all my other troubles" and on the "tears of near-suicidal frustration I was currently shedding."

But Hendrickson draws our attention to a brilliant and gifted woman whose story, like her work, is well worth reflection. With luck some latter-day Marion Post Wolcott is right now at work (though not likely with any government backing) in camps for migrant workers or shelters for the homeless or behind boarded storefronts in Los Angeles, so that future generations can see what America was like in the '30s.

Jane Howard, a monthly columnist for Lear's, wrote this for The Washington Post.

## BOOKS

### DOONESBURY

"IN GENERAL, CHUCK THE OPPORTUNIST, CLARENCE THOMAS BELLS SAY TO ME."  
"YOU NEED TO BE STRONG ME. I THINK I'M GOING TO WRITE YOU, YOU'RE ONE OF THE FINEST WOMEN I HAVE ON MY STAFF... WE'RE GOING TO BE SOME OUT EVENTUALLY..."  
"I SAW ANITA HILL ON TELEVISION MONDAY NIGHT, AND MY CONSCIENCE SINGLED OUTERING ME, BECAUSE I KNOW I FEEL FROM MY EXPERIENCES WITH CLARENCE'S BEHAVIOR THAT HE WAS QUOTE CAPABLE OF DOING WHAT SHE SAID!"  
"I'M ASKING ANYONE LISTENING TO THIS DEAR GUY, IT'S A PERFECT OUTRAGE TO CALL WOMEN THAT SEXUAL HARASSERS!" (Lyle)

When that idiot's mind wanders, he hasn't this.

Now arrange the correct letters to form the subtitle answer, as suggested by the above cartoon.

Print answer here: \_\_\_\_\_  
Yesterday's Jumble: DANDY MILKY GAMBIT UROCH  
Answer: He thought he was in the groove, but he was really this — IN A HUT!

## BRIDGE

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ON the diagramed deal, the three-diamond response to one spade was poor, but the precipitate jump to six spades, inspired perhaps by the kangaroo, was far worse. Perhaps North thought that the jump shift implied a spade fit, a misconception.

Six spades was due to fail by at least two tricks, but West did not know this. He produced a Lightner double, expecting to guide his partner to a diamond lead. But North was having second thoughts about her six-spade bid. She retreated to seven diamonds, a wild stab that paid off.

After a club lead South won in her hand and cashed the diamond king. If both opponents had followed suit it would have been easy to establish hearts by ruffing the third round with the trump ace. As it was she drew all the missing trumps, an error, and made the contract because the hearts split evenly. It would have been better to play hearts and ruff the third round with the nine, guarding against the possibility that East had begun with four cards in each red suit.

West gloomily recorded minus 2,330.

NORTH (D)  
♠ Q J 10 8 3 2  
♥ K 8  
♦ A 9 5  
♣ A 4

WEST  
♠ K 7 5  
♥ 9 4 3  
♦ Q J 9 7 6 5 2  
♣ 10

EAST  
♠ A 9 6 4  
♥ J 10 7  
♦ 10 8 7 3  
♣ 10 3

SOUTH  
♠ A Q 6 5 2  
♥ K J 6 4 2  
♦ K 8

Both sides were vulnerable. The bidding:  
North East South West  
1 ♠ Pass 3 ♣ Pass  
6 ♣ Pass Pass Dbl.  
7 ♣ Pass Pass Pass

West led the club queen.

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